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THE JERUSALEM POST

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Upcoming poll changed his mind

Waldheim backed away from conciliatory move

By ARI RATH
 Austrian President Kurt Waldheim seriously considered making a dramatic statement, admitting some of his errors and calling for reconciliation, in his first major address to the nation as president last Sunday, Austria's National Day. But he changed his mind in view of the current hectic and acrimonious national election campaign, with polling day only four weeks away.

This was learned in Vienna by *The Jerusalem Post* from most reliable sources close to Waldheim.

Such a move by the Austrian president could have gone a long way to improve his image and stature with his critics and might have affected Jerusalem's decision whether to reappoint an ambassador in Vienna in the near future.

Instead, he followed the advice of confidants and opted for a brief television address which dealt primarily with the forthcoming elections, declaring his absolute impartiality with regard to the outcome of the struggle between the conserva-

tive People's Party and the Socialist Party, and calling on every Austrian citizen to fulfill his duty at the polls.

This month's issue of Austria's *Wiener* magazine in fact carried a centre spread under the heading "An mein Volk" — to my people — "what Waldheim should actually say in his National Day address, but will surely not say." In the article, a number of leading Austrian intellectuals — including journalists, poets, actors and writers, as well as Vienna's Chief Rabbi Chaim Eisenberg — propose various drafts for Waldheim's National Day address which would deal openly with his own and with Austria's past during the Nazi period.

A leading Austrian psychologist, Prof. Erwin Ringel, proposed that Waldheim should say that he was following the example of West German President Richard von Weizsäcker and openly condemn the Nazi past and admit Austria's "Mitschuld" — its share in the guilt.

Although the *Wiener* magazine has left-wing leanings, Waldheim

had thought seriously of adopting some of the ideas voiced by it, thus thwarting the very concept of its exposure. But political pragmatism apparently led him to act otherwise, although he does feel the personal need at this stage to face openly the shadows from his past which emerged so strongly during his own election campaign, carrying with them dangerous anti-Semitic overtones.

According to the views of some of his closest advisers, Waldheim still seem determined to seek an appropriate occasion — probably after the national elections — on which he will deliver such a major national address which will deal candidly with his own and with Austria's dilemma of how to come to terms with their Nazi past.

Many of his critics have their doubts whether he will actually be able to rise to such an occasion, but according to Waldheim's closest advisers, he is likely to surprise both his friends and foes and for once act decisively.

Austria recalls envoy

By ILONA HENRY
 Jerusalem Post Correspondent
 VIENNA — Austria has recalled its ambassador in Israel for consultations amid diplomatic strains following the election in June of President Kurt Waldheim, who was connected to Nazi war crimes.

Chancellor Franz Vranitzky told reporters the recall of Ambassador Otto Pleinert was not a sign of discord between the two countries, but rather an attempt to secure an answer from Israel about the rank of its diplomatic presence in Austria.

The Austrian step was taken as a reaction to Israel's recall of Ambassador Michael Elitzur after Waldheim's election, and to the difficulties in getting a reply from the Israeli Foreign Ministry about the return of



Chancellor Franz Vranitzky
 its ambassador. Israel is now represented by a chargé d'affaires.

Vranitzky said that Austria "was not interested in a fight in this matter," but sought to have a relationship with Israel based on reciprocity. He said he believes that the nuclear situation stems from the rotation, and hopes for a quick clarification.

Austria's recall of its envoy should be seen against the backdrop of the current election campaign, with its emphasis on the "new patriotism."

The Socialists, who are disturbed by the prospect that they might lose power after 16 years of running the government, want to avoid a situation (Continued on back page)

Application to labour court Tougher Treasury policy on nurses

By AVI TEMKIN and JUDY SIEGEL
 Jerusalem Post Reporters

The Treasury is planning to turn to the Labour Court to break the nurses' strike, in a new tough line adopted yesterday.

Finance Minister Moshe Nissim met yesterday with Attorney-General Yosef Harish to discuss "all the legal aspects of the nurses' strike," according to the Treasury spokesman.

Nissim turned down a request by the nurses to meet with them, saying he would not do so as long as they continue their strike.

The Treasury's strong stance was also reflected in a meeting yesterday with Health Minister Shoshana Arbeli-Almosino and Trade Union head Haim Haberfeld.

Arbeli-Almosino emerged after two hours of tense deliberations with Nissim, saying no progress had been made. She expressed disappointment at the Treasury's position.

Health ministry sources said the Treasury turned down each of her proposals. The Treasury is adamant not to give in to nurses' demands for a shortened work week, and refused even to consider a compromise formula as requested by Arbeli.

Treasury officials insist that under the current proposal the nurses would get an increase of 52 per cent

over their May salaries. The increase includes wage increases granted to all workers in the public sector as well as payments offered to the nurses alone, the Treasury said. The hospital nurses would also benefit from a 5 per cent raise granted to non-hospital nurses, to be payable from April.

The nurses said last night that they would again abandon the hospitals for 24 hours, starting at 3 p.m. today, despite frantic efforts by the Health Ministry to forestall a walkout. This action follows yesterday's eight-hour strike.

The ministry last night sent telegrams to the hospital directors, authorizing them to cut services as needed, in view of the emergency situation.

The ministry was pushed to the wall as doctors at government and Histadrut Kupat Holim Clalit health-fund hospitals said they were exhausted and would no longer work in outpatient clinics or accept any but the most critical patients. Pressure built up on Arbeli-Almosino to ask for a court injunction against the nurses — a step she has opposed ideologically and practically, believing that the nurses would not comply.

Ministry director-general Dan Michaeli called on all the country's voluntary organizations to send volunteers to help in the wards. The

pensioners' association was the first to offer its assistance.

Only about 30 per cent of hospital patients remain in the wards, due to the evacuation of all but the most critically ill. There is concern about the evacuees, who are at home without medical attention.

The ministry yesterday ordered some 1,000 public health (non-hospital) nurses from mother-and-child clinics and other facilities to call on hospital patients who had been evacuated to their homes. They were told to report on their condition, and if necessary to send them back to emergency rooms.

Some doctors yesterday called for a full-scale doctors' strike because of the exhaustion of hospital physicians and in the hope that such a drastic step would force the Treasury to deal with the dispute. Others urged back-to-work court orders. Dr. Shmuel Penchas, director-general of the Hadassah Medical Organization, said that "a time comes when the government must worry about the unfortunates for whom it is responsible." He added that volunteers would not prevent deaths.

The Health Ministry executive met for three hours yesterday morning and decided, for the first time, to openly state its position on points involved in the nurses' dispute, even though the Treasury is largely re-

Action against Syria

UK blasts EEC for its refusal

By DAVID HOROVITZ
 Jerusalem Post Correspondent and agencies

LONDON — Britain yesterday vowed to block EEC financial aid for Syria in the aftermath of the Hindawi affair.

Foreign Secretary Sir Geoffrey Howe told parliament that "there can be no question of the UK agreeing to further financial assistance for Syria in the present circumstances."

Prime Minister Margaret Thatcher yesterday lashed out at her EEC partners for failing to support Britain in taking a stand against the Syrians.

Thatcher, answering a question in the House of Commons, said that Monday night's EEC statement, which merely expressed a "common sense of outrage" at Syrian involve-

ment in the Hindawi affair, was "not strong enough."

She reminded EEC member-nations that, in a 1984 statement, they declared that if one partner suffered a diplomatic abuse, the other partners would take common supportive action.

She hoped that the EEC would reconsider its position when ministers meet again in a fortnight.

Howe also expressed disappointment yesterday that he had failed to win agreement on measures such as the recall of ambassadors and suspension of arms sales.

He put the blame on the absence from the EEC's Luxembourg talks of six foreign ministers, including those of West Germany and France.

All states except Greece accepted Britain's evidence of Syrian involvement in Nezar Hindawi's April 17 EI

Al bomb plot, but France, West Germany and Spain joined Greece in blocking Britain's demand for at least a temporary recall of ambassadors from Damascus.

In a radio interview, Howe recalled that the September bombing campaign in France had at times made very little impact in the media in Britain.

"We still haven't worked out a way of impressing upon countries outside the one directly affected just how serious an incident of this kind is," he added.

Rank-and-file legislators and the press also expressed anger at the EEC refusal to take action against Syria.

"Most sick-making is the attitude of the French," the *Daily Mail* said. The *Times* point out that "if Europe (Continued on back page)

Shamir urges tougher moves

By WOLF BLITZER
 Jerusalem Post Correspondent

WASHINGTON — Prime Minister Yitzhak Shamir yesterday called on the U.S. and other countries to enact tougher measures against Syria.

"I hope that the United States and other countries will take other appropriate measures against Syria," Shamir said in an interview on ABC's *Good Morning America*. He praised the British decision to sever diplomatic ties with Damascus, calling it "quite courageous, a right and encouraging move... And I regret very much that very few countries followed the British example."

The U.S. and Canada have withdrawn their ambassadors from Damascus, but have not broken all diplomatic ties. A senior White

House official said that the U.S. was currently not considering such a full break in relations. He added, however, that it is "certainly a future option."

Shamir said that Syria was extremely sensitive to any further diplomatic isolation. "I see now that Syria is doing everything possible against this isolation," he said. "It means that they are afraid of it. And it is a proof that this British move is the right move."

Shamir, when asked whether President Assad personally had direct knowledge of the aborted plot to blow up the El Al airliner in London, replied that Assad was a "very strong leader, and we know that nothing serious happens in Syria (Continued on Page 9)

Move to bar hard drinks to pupils

By BERNARD JOSEPHS
 Jerusalem Post Reporter

A ban on the sale of alcoholic drinks at cafes and kiosks near public schools is to be sought by the Education Ministry following the publication of a disturbing research report on drinking among minors.

The message will be sent to schools, in a circular from ministry Director-General Shimshon Shoshani. He will also call on staff to try to prevent the sale of wine, beer and other alcoholic beverages to youngsters at shops near their schools.

According to the report, alcoholism among Israeli youth is on the rise. The findings of Dr. Shoshana

Weiss and Prof. Michael Mor of the Technion, showed that many Israeli youth start drinking at age 14 and seem to drink in conjunction with smoking cigarettes or hashish.

The researchers studied 520 12th-grade pupils from seven high schools and found that ethnic backgrounds had no relation to drinking.

The current drinking rate is comparable to that found among U.S. youth in the early 1970s, and is therefore of concern, Shoshani said. American social phenomena seem to reach Israel 15 years later, he said, which is why the situation warrants immediate intervention before it deteriorates.



Daniel Katz being brought to the Tel Aviv police headquarters last night after his recapture. (Brutman/Media)

Alleged rapist back in jail

By YORAM GAZIT
 For The Jerusalem Post

TEL AVIV — Detectives of the central unit burst into an apartment in Ramat Gan yesterday evening, catching alleged "Ramat Gan rapist" Daniel Katz by surprise. Less than 24 hours after Katz escaped from Abu Kabir, he was back in the

lock-up under heavy guard.

Katz, who was charged last Tuesday with two rapes and three attempted rapes in the Dan region, escaped by exploiting the disarray at Abu Kabir caused by renovations. After jumping over the wall, he stopped a taxi that happened by, according to (Continued on Page 9)

'Wall of silence' around Vanunu case

Australian clergyman leaves empty-handed

By BERNARD JOSEPHS
 Jerusalem Post Reporter

Australian clergyman John McKnight, in Israel to discover the fate of Mordechai Vanunu, the man who sold alleged nuclear secrets to a British newspaper, is returning home today, defeated by an official "wall of silence."

A "sad and disappointed" McKnight said he had been given the cold shoulder by ministers and bureaucrats in his hunt for the former nuclear reactor technician, who converted to Christianity and became a member of his Kings Cross Anglican Church in Sydney.

"I came here having received assurances from Israeli consular officials in London that if Vanunu was being held here I would be able to see him. I am still sure he is here but I have not achieved my goal of finding him," said the clergyman, addressing his second press conference in three days at Jerusalem's American Colony Hotel.

Vanunu disappeared from a London hotel on September 30 after giving the *Sunday Times* what the paper said were details of a secret H-bomb factory under the Dimona nuclear reactor where

he worked. Experts had said that the information, if accurate, would put Israel in sixth place among the world's nuclear powers.

Foreign reports said he was kidnapped by Mossad agents and brought to Israel where he faces a secret trial. Yesterday the American paper *Newsday* said the 32-year-old Vanunu was being held in a maximum security prison in Gederah near Rehovot, following the extension of his remand by a judge brought to his cell.

McKnight complained that officials had reacted to all his questions about the affair with silence. "They didn't even answer my phone calls," he said. He understood this reaction, he went on, "because the issue is so sensitive." But he felt he had been misled by Israeli officials in London.

"They told me that in Israel every prisoner has the right to be visited," he said. As at his previous press conference, the clergyman refused to be specific about the "sources" who had assured him Vanunu is being held here.

But he said, "I have rechecked these sources and they are still saying the same thing." Almost all of them were Israeli, he added.

McKnight, who said his visit was "pastoral, not political," stated he believed his parishioner was being held in a top security wing at Gederah and that he would probably be charged with violating state secrets and face a long sentence.

He had contacted Vanunu's family, he said, but refused to reveal what they had told him. "They are under severe emotional pressure," he reported.

McKnight said Vanunu, who was last seen at a hotel in London's West End on September 30, had been the subject of a Scotland Yard investigation, but they failed to find any record of him leaving Britain.

He said he was leaving two letters for Vanunu, one from himself and one from a woman he named as Judy Zimmerit "from the eastern United States" who had been a friend of the ex-technician for about a year when she visited Israel.

Denying rumours that he had been paid by a political group or by a newspaper to play up the affair he said, "The cost of my trip was raised by Australian Christians."

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COPENHAGEN	10	16	50	61	Cloudy
FRANKFURT	10	16	50	61	Cloudy
GENEVA	10	16	50	61	Cloudy
LONDON	10	16	50	61	Cloudy
MADRID	14	20	57	68	Cloudy
MILAN	14	20	57	68	Cloudy
MUNICH	14	20	57	68	Cloudy
PARIS	14	20	57	68	Cloudy
ROME	14	20	57	68	Cloudy
SAN FRANCISCO	14	20	57	68	Cloudy
STOCKHOLM	14	20	57	68	Cloudy
TORONTO	14	20	57	68	Cloudy
ZURICH	14	20	57	68	Cloudy

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THE WEATHER

Forecast: Partly cloudy to clear; temperatures seasonally high.

Location	Yesterday's	Today's	Max	Min
Jerusalem	21	15-28	28	15
Golan	21	15-30	31	15
Nablus	21	15-30	31	15
Safed	21	15-30	31	15
Haifa Port	21	15-30	31	15
Tiberias	21	15-30	31	15
Nazareth	21	15-30	31	15
Afula	21	15-30	31	15
Shomron	21	15-30	31	15
Tel Aviv	21	15-30	31	15
B-G Airport	21	15-30	31	15
Jericho	21	15-30	31	15
Gaza	21	15-30	31	15
Beersheva	21	15-30	31	15
Eilat	21	15-30	31	15

SOCIAL & PERSONAL

Knesset Speaker Shlomo Hillel hosted a lunch yesterday at the Knesset in honour of a delegation from the European People's Party of the European Parliament, headed by Erik Blumenfeld from West Germany. Also attending the lunch were deputy speakers Dov Ben-Meir and Dan Tichon and members of Knesset.

Dovrat, director of Amcor's Satellite Company, will be the guest speaker at the weekly meeting of the Haifa Rotary Club, at the Shulamit Hotel at 1 p.m. today.

Shamir now diplomats' target

By BERNARD JOSEPHS
Jerusalem Post Reporter

The country's disgruntled diplomats, who have been sniping at Foreign Minister Peres over his political appointments at the ministry, yesterday turned their guns on their former boss, Prime Minister Shamir. Angry Foreign Ministry staff are demanding the cancellation of two-year contract extensions awarded (by Shamir) to nine politically aligned envoys on Shamir's last day at the ministry.

Among those who received the extensions are said to be UN representative Binjamin Netanyahu, a Likud appointee, the ambassadors to Venezuela and Colombia and several consuls-general. All but one are backed by Likud.

Foreign Ministry staff representative Zvi Mazel, who has been leading the fight against Peres's political appointments, said that a protest letter was being sent to the ministry's deputy director-general for administration, Yoav Biran, about Shamir's actions.

Rabin stresses limits of power

By MENACHEM SHALEV
Jerusalem Post Reporter

BEERSHEVA.—Israel is capable of building a military power "which can reach all the capitals of the Arab countries," Defence Minister Rabin said here yesterday. But, he added, even then Israel would not be able to dictate its political will and impose peace on its Arab neighbours.

Speaking on "The Limits of Power" at the Sinai Campaign conference being held at Ben-Gurion University, Rabin said that the concept of "a war to end all wars" was a "dangerous illusion" doomed from the very start. However, he added, only Israel's military strength can ultimately convince Arab leaders to make peace.

Rabin said that among the wars Israel has fought, the Sinai Campaign and the 1982 Lebanon War were different in that they were not "wars of no-choice." Both were justified, he said, but added that the Lebanese War, while militarily successful, had failed to achieve many of its "far-reaching" political objectives because of "a lack of understanding at the political level."

Rabin also said that he does not believe that the Syrian army is capable of taking the Golan Heights.

HOME NEWS

Scandals prompt change in permits to sell weaponry

By ASHER WALLFISH
Post Knesset Correspondent

Recent scandals involving Israeli arms-dealers abroad have prompted the Defence Ministry to change the system whereby Israel gets permits to market weaponry.

Instead of the present situation in which 700-800 Israeli firms and individuals identify themselves abroad as legitimate arms dealers, using accreditation in the form of a general covering letter from the Defence Ministry, a new agreement has been instituted requiring two permits for each transaction.

Announcing this yesterday at the Knesset Foreign Affairs and Defence Committee, Defence Minister Rabin said that each proposed transaction would have to be preceded by a permit listing the dealer's intent to negotiate a sale, the potential purchaser of the weapons, the type and quantity of the goods, and the parties with whom the dealer intends to establish contact for the purpose of negotiating the sale.

Once the negotiations are completed, but before the contract is signed, the dealer will need a second permit spelling out the terms of the contract with the addition of the payment arrangements.

These new permits would be valid for the one deal only, Rabin said. The present situation, in which a dealer can use his accreditation over

and over again, will be ended, he explained. Thus it will be possible, for the first time, to keep an accurate central record of negotiations conducted and deals concluded, with all the attendant statistics, Rabin said.

The new regulations, which can now be gazetted with their approval yesterday by the Foreign Affairs and Defence Committee, mean that all the 700-800 existing letters of accreditation are automatically invalidated.

Rabin said: "What the arms dealers were carrying until now were blank cheques, in a manner of speaking, and we had no supervision over their affairs. In future, we shall keep a close watch on them at each stage."

During the brief discussion prior to approval of the new regulations, Elihu Ben-Elissar (Likud) and Yosi Sarid (Citizens Rights Movement) said that additional supervision is essential over national policy on arms exports, and that the only suitable supervision could be maintained by a Knesset body.

The committee will discuss a proposal for parliamentary supervision at a meeting in the near future, *The Jerusalem Post* learned.

The last and most effective push to change the system came with the arrest of a dealers' group led by Tat-Aluf (res) Avraham Bar-Am in Bermuda this year, and their deportation to the U.S., on charges of setting up a big arms deal with Iran.

Second liver recipient 'stable but critical'

By YA'ACOV FRIEDLER
HAIFA.

Elihu Schreier, Israel's second liver transplant patient, was described last night as "stable but critical," after he underwent a supplementary operation in the Rambam Hospital.

The transplant surgery was stopped 12 hours into the operation on Monday morning, due to massive hemorrhages which had to be stopped.

The supplementary operation, which lasted four hours, was carried out yesterday afternoon. Dr. Yigal Kam, head of the transplant team, said the operation proceeded "as we had expected." There were no difficulties or complications and just a little bleeding, he said.

Kam said the new liver showed

definite signs that it was "functioning well," but added that it would take a few days before Schreier's condition could be evaluated.

Schreier's wife, two sons and a daughter were keeping vigil outside the recovery room. His wife Tova said that on Monday he had been unconscious for a long time but had suddenly recovered "and even the doctors were surprised." Her 59-year-old husband had "a very strong will to live," she said. She had held his hand and he had pressed hers to show that he knew she was there, she said.

Kam said it would take several weeks before the two transplant patients, Schreier and Mira Shichman, 40, who had the operation a week ago, would be out of danger.

Rabbi Abergil promises help to Reform group

By HAIM SHAPIRO
Jerusalem Post Reporter

The rabbi of the Baka neighbourhood of Jerusalem, who last week led a group that disrupted Simhat Tora services at a Reform congregation, yesterday promised to help the Reform group to find a permanent meeting place.

This was part of a letter from Rabbi Elihu Abergil, the state-appointed neighbourhood rabbi, to Rabbi Levi Weisman-Kelman, leader of the Reform Congregation Kol Haneeshama. In return, Kelman told the police he wished to drop the charges against Abergil in connection with the Simhat Tora eve incident.

Discussions over the letter, which lasted a few hours, took place at the Baka neighbourhood association which had been instrumental in bringing the two together this week. An observer at the meeting yesterday said that throughout Abergil addressed Kelman as *Honourable*, a form of address which Orthodox rabbis are usually loath to confer upon their non-Orthodox colleagues.

In the letter, Abergil apologized for his action on Friday night, acknowledged that there are many differing opinions in Israel, and that one must accept them all with love and affection. If there are differences, he added in the letter, they must be solved peacefully.

Apparently referring to the cry of one demonstrator, who called upon the Reform worshippers to "go back to America," Abergil noted his satisfaction at the recent American aliyah. He specifically promised that he would not interfere in the Reform congregation.

Finally, Abergil promised that he would go to Mayor Kollek together with Kelman to ask the mayor's aid in finding a suitable meeting place for the Reform congregation. The congregation has been meeting in the sports centre of the local community centre.

Harish warns against planned Arafat meeting

By SARAH HONIG
TEL AVIV.

Attorney-General Yosef Harish yesterday issued a stern warning to a group of some 50 activists from an assortment of leftist parties and groupings who are hoping to meet with PLO chief Yasser Arafat in Romania next week.

The attorney-general drew the group's attention to the recently passed law which makes anyone who holds unauthorized meetings with terrorists liable to prosecution. Those who take part in the projected Bucharest symposium will be tried,

Harish announced.

It is still not clear who or how many Israelis are going. What is clear is that the organizers have promised the participants that they will get to meet Arafat and possibly hear him deliver a "new political message."

The group includes politicians from Rakhah to Mapam, but none of them is a party leader. The primary organizer is Lutfi Dori of Mapam.

Dori told reporters yesterday that he is willing to risk a possible three-year prison sentence for the sake of dialogue with the Palestinians.

Boycott seen in TA chief rabbi election

TEL AVIV (Itim).—A delegation of rabbis appeared at yesterday's meeting of the city's religious council and said that no rabbi would submit his candidacy for the position of Tel Aviv chief rabbi if women participated in the electoral body.

They cited dozens of *halachic* sources opposed to the participation of women in the electorate body.

Holon basketball win

Hapoel Holon had a fine win in the European Cup Winners Cup when they overturned a four-point deficit at the half to defeat the French basketball team Villersbrou 86-76 in the final leg game last night.



British troops and police surround an El Al Jumbo jet, similar to the one in the Hindawi bomb plot, as part of a military exercise at Heathrow airport yesterday designed to improve anti-terrorism measures. (Reuters telephoto)

Civil service postings seen as first post-rotation dispute

By ROY ISACOWITZ
Post Political Reporter

Coalition disagreements over a series of civil service and government sector appointments are likely to develop into the first serious dispute of the post-rotation era, political sources estimated yesterday.

Within the next few months a new chairman of Israel Aircraft Industries, a Civil Service Commissioner, a chairman of the Broadcasting Authority and a director of wages in the Treasury must be selected.

The Labour Party is committed, in its agreement with Yahad, to installing the former head of the air force, Mordechai Hod, at the head of IAI. The Likud, however, opposes the appointment of Hod, and one senior Likud minister reportedly threatened to resign this week if Hod is appointed.

Finance Minister Nissim has so far declined to add his signature to that of Defence Minister Rabin on Hod's appointment. The delay is bound to exacerbate the tension between the Labour and Yahad, which is already running high due to the dispute over the senior civil service position in the Foreign Ministry.

Labour's candidate for chairman

of the Broadcasting Authority's management is Yisrael Peleg, currently head of the Government Press Office. The incumbent chairman, Micha Yonin, is due to complete his second term early next year.

The Likud has so far made its agreement to Peleg's appointment conditional on a wider package deal for positions including the Civil Service Commissioner and the State Comptroller. The leading Likud candidate for commissioner is Moshe Amirav, former head of the Labour Safety Administration.

Labour, however, is opposed to the package deal on the grounds that the commissioner must be a professional and not aligned with any party. It has objected on the same grounds to suggestions that a deal be reached over a successor to Treasury wages director Hillel Duda'i, who is due to resign next month.

Meanwhile, the rotation of the premiership was followed yesterday by a mini-rotation, when Labour MK Rafi Eidi succeeded the Likud's Haim Kaufman as chairman of the coalition executive. The transfer was made in a short ceremony at the Knesset, attended by Prime Minister Shamir and Foreign Minister Peres.

Knesset interview

'Time has come for an Arab deputy minister'

By ASHER WALLFISH
Post Knesset Reporter

Alignment MK Abdel Wahhab el-Darawshe, is thus far the seventh candidate to be mentioned for the post of deputy Minister, which the Alignment has the right to fill now that Shoshana Arbeli-Almosino has been elevated to the cabinet.

Darawshe, 43, from Iksal near Nazareth, a first-time MK and teacher of 21 years' standing, gained notoriety last year when he secretly set out to try to amend a PLO gathering in Amman. He changed his mind en route, while in Cyprus.

Darawshe's sponsor is said to be none other than Foreign Minister and party chief Shimon Peres.

The Jerusalem Post asked Darawshe at his office in the Knesset to comment on his possible nomination to a deputy minister (which in his case would be at the Education Ministry).

"Unless the Alignment attracts more Arab voters, it has little chance of establishing a majority with a coalition built around it after the next elections, and avoiding a repeat of the present national unity coalition," Darawshe said.

"The proposal to make an Arab deputy minister would be another link in the chain of steps taken by the Alignment over the past couple of years which have improved its image in the Arab sector," he said.

The return of (IDF) training area nine to the surrounding Arab villages in Lower Galilee, the new policies on building permits and local government; and the atmosphere generated by Minister without Portfolio Ezer Weizman and his aides in the Arab sector, have all created a more favourable climate towards the Alignment, especially among Arab intellectuals.

"The next Knesset election will be held amid absolutely unprecedented competition between all the main parties for the Arab vote."

Sir Julian Amery:

Appeasing Nasser was Britain's fatal mistake

IN PERSON
BENNY MORRIS

Sir Julian Amery, a British Member of Parliament since 1950, attributes most of the evils of the contemporary Middle East to the "fatal British mistake" of pulling out its troops from Egypt in 1954-55.

"The mistake was to appease Nasser," says Amery, here for the Suez Retrospective conference in Beersheba and Sde Boker. He draws on 1930s terminology. "You can compare it to Neville Chamberlain's appeasement of Hitler before and at Munich. Prime Minister Anthony Eden was in the same position. He too appeared — and then Nasser took the Canal [like Hitler had taken Prague]."

Nasser, he argues, could not have compelled Britain to close its canal-side bases and would never have nationalized the waterway if British troops had still been there. "Had he tried it, we could have toppled him from the bases instead of trying to topple him from several thousand miles away two years later."

Amery says that in consequence of the Suez failure, France lost Algeria and installed de Gaulle as its leader. "and de Gaulle conceived of Europe turning on a Franco-German axis [with France dominating], so Britain was kept out of Europe [the EEC] for 15 years. Now Europe is run by the Deutschmark."

As to the Middle East, the U.S. "didn't take over Europe's responsibilities. In 1958 they invaded Lebanon, true, but never got beyond the brotherly quarter."

Amery says that by and large the British public would have supported Eden's defiance of the U.S. and the completion of Nasser's defeat. "I was deluged with letters of support [for Suez]. But the chattering classes got going. Labour turned and ministers lost their nerve."



Sir Julian Amery

The 1956 Anglo-French invasion of Egypt followed inexorably. Had Eden resisted the Americans for a few days longer, enabling the expeditionary force to complete its conquest of the canal and to defeat the Egyptians outside Cairo, "Nasser would have been toppled and fled to Luxor or Sudan or Russia, we would have had Camp David [that is, Israeli-Egyptian peace] in 1956, no revolution in Iraq, maybe no Gaddafy, no Six Days War or Yom Kippur War, maybe even no Arafat," explains Amery.

Amery, a leading member of the hardline Suez Group which had opposed the 1954-55 troop withdrawal, says that he had secretly negotiated with, and had ready, "a shadow [Egyptian] government" in October 1956 to take over Egypt the moment Nasser fled. He declines to name names.

Amery, who has over the years repeatedly served in Conservative governments as a cabinet minister and junior minister — housing, Foreign Office, aviation ("I made the British atom bomb and the hydrogen bomb too"), attributes Eden's collapse in early November 1956 to America's determined pressure (which included large-scale government-ordered selling of sterling and was motivated by desire to "destroy the British and French empires") and replace them in the Middle East) and to Eden's character and political history.

"Eden had been a League of Nations man, a UN man, it was hard for him to suddenly change and launch a war while retaining his credibility. So he didn't tell everyone, maybe anyone, what was on his mind [toppling Nasser]," Amery quotes, he says, from the *Hagav* daily. "We are all prisoners of what we have done in the past."

Democracies need "great leadership. Without it, democracy doesn't work, it's a recipe for indecision," says Amery.

Amery calls himself "a great admirer of Ben-Gurion." He recalls that after delivering the Balfour Day address in 1964, he went to Sde Boker to visit the Old Man. It was the day after the general elections, in which BG's Rafi list had been defeated.

"BG asked me: 'Why do you think it happened?'"

"I said: 'You must see it in perspective. In democracies, there is a time for heroes. When it passes — with Churchill and de Gaulle — the people want mediocrity.' What else could I say to console a great man?"

That evening, Amery recalls, Ben-Gurion went off to speak to a party gathering.

The next day, he, Amery, met Golda Meir. "When I walked in, she said: 'It's very good of you to see a mediocrity like me.'"

W.B. trade unions protest harassment

By ELAINE RUTH FLETCHER
For The Jerusalem Post

West Bank trade union leaders yesterday protested against what they described as stepped-up harassment of union organizations by security authorities, including the recent closing of the Nablus trade union headquarters and the administrative detention of the union's secretary-general.

Israeli union leaders from the Jerusalem branch of the Histadrut's Rakah faction joined the West Bank

General Federation of Trade Unions (GFTU) in a press conference to call on the Histadrut to speak out on behalf of the West Bank union.

The GFTU's Nablus headquarters were closed on October 20 for a year. Security officials have said the union was recruiting workers and distributing pamphlets on behalf of Yasef Hawatmeh's Democratic Front for the Liberation of Palestine. GFTU leaders yesterday denied they were connected to terrorist organizations.

With deep sorrow we announce the passing of our friend and member

SHIMON MOSES ז"ל

Our deepest sympathies to his wife: ABIGAIL and daughters: RIVKA, ILANA and DALIA, and MEMBERS OF THE FAMILY.

The funeral leaves from Kfar Daniel, Wednesday, October 29, 1986, at 3 p.m. for the cemetery in the Ben Shimon Forest.

Beit Kfar Daniel

THE WEIZMANN INSTITUTE OF SCIENCE

The funeral of

Dr. JOSEF COHN

will take place at 3:30 p.m. today, Wednesday, October 29, 1986 at the Rehovot cemetery.

Buses will leave from the Wix Auditorium at the Weizmann Institute at 3:00 p.m.

With sorrow we announce the death of

GLADYS NAILAND

widow of the late Harry

Passed away October 28, 1986

Mourning: Cynthia and Yitzhak Romano and family, Sylvia and Abe Penn and family

For details of funeral, please call: Tel. 053-50232

THE WORLD FAMILY OF UNITED ISRAELI APPEAL — KEREN HAYESOD

records with profound sorrow the passing of

MAX FREILICH

former Keren Hayesod Chairman, Sydney, Australia

outstanding leader of the Zionist Movement in Australia and of the Jewish Community of Sydney

We extend heartfelt condolences to his family and to the entire Jewish Community of Sydney on the loss sustained

Dr. Avraham Avi-Hai World Chairman

France: No arms deal with Syria

By Jerusalem Post Correspondents in Paris, Luxembourg, and Bonn, and agencies

French President Francois Mitterrand, speaking yesterday in Frankfurt after a two-day summit with West German Chancellor Helmut Kohl, said that selling arms to Syria was "out of the question."

In denying reports of an arms deal with Syria, Mitterrand called for international cooperation against terrorism, saying that "particular arrangements have always to be given way to solidarity against crime." Commentators in Paris explained that "particular arrangements" meant the traditional Gaullist tilt in favour of the Arab countries.

Mitterrand said that France would determine its final position regarding Syria before the next meeting of European Community foreign ministers on November 10.

EC officials in Luxembourg on Monday failed to come up with a decision on how to respond to Syria, following the British decision to

break off diplomatic relations with Damascus.

France was among the EC members which resisted Britain's call for immediate action against Syria. A French official complained that the British had played an "unfair trick."

The British told us on Friday that they would ask just for a verbal support of their move against Syria, and on Monday they came with a whole set of concrete resolutions that we obviously could not agree upon," the official said.

The French government appeared embarrassed by the Syrian issue, and their representative at the meeting, Deputy Minister for European Affairs Bernard Bosson, was uneasy when he explained his government's line.

Bosson said that since Syria had claimed to be innocent of involvement in the attempt to blow up the El Al airliner, their pleading should be listened to. The French minister thus contradicted earlier statements that Paris was "impressed" by the solidity of London's evidence.

Though Britain's specific requests for action against Syria were rejected by France, West Germany, Italy and Greece, the Benelux countries expressed readiness to recall their ambassadors for consultations. Because unanimity is required for such EC decisions, however, the proposal was dropped.

After the meeting, Luxembourg's foreign minister told reporters, "Sir Geoffrey [Howe] gave an impressive report and showed us documents implying the responsibility of the Syrian embassy and of its staff. These elements were entirely convincing."

In Bonn, sources said yesterday that West Germany was likely to discuss steps in the context of the EEC which would curtail Syria's logistic capability to engage in terrorist activity.

West German Foreign Minister Hans-Dietrich Genscher said yesterday that Bonn supported British proposals for steps against Syria, but he said that Bonn would not recall its ambassador from Damascus. Genscher said that the EEC's ambassadors in Damascus would make clear to the Syrian government Europe's determination to take measures against international terrorism.

The Jerusalem Post learned that West Germany favoured security measures against the Syrian airline incriminated in the Hindawi case. In principle, West Germany views favourably political steps and security measures which would prevent Syria from engaging in terrorism, but it is still opposed to economic measures against Syria.

Meanwhile, a Soviet Foreign Ministry spokesman, reiterating that the Kremlin condemns terrorism, charged that the U.S. and Britain used invented reasons to spoil ties with Syria and suggested their actions mark cooperation in fighting terrorism.

Syria, the Soviet Union's staunch ally in the Middle East, "had nothing to do" with the attempt last April to blow up an El Al airliner, the spokesman told a news conference.

Gun battle disrupts Beirut parliament

BEIRUT. — Moslem and Christian militiamen battled across Beirut's dividing Green Line yesterday, breaking up a parliament session with the nation's legislators running for cover in a basement, police reported.

Shi'ite Moslem militiamen and Palestinians also fought intermittent mortar duels in South Lebanon, breaking a cease-fire agreement reached Sunday and killing at least one man, police said.

And near the South Lebanese Christian town of Msharra, members of the pro-Iranian "Hizbullah" (Party of God) seized four Syrian soldiers, Msharra residents said the four were kidnapped in reprisal for the arrest earlier yesterday of two Hizbullah men at a joint Syrian-Lebanese military checkpoint.

In a significant move against the Palestinians, leaders of Lebanon's main leftist factions sided with Justice Minister Nabih Berri's mainline Shi'ite Amal militia in its fight against Yasser Arafat's PLO.

The leftist leaders said in a joint statement issued after a three-hour meeting in Berri's West Beirut office: "Arafat's followers provoked the clashes to set the stage for his (Arafat's) return to South Lebanon," they charged.

Said Berri: "While we support the Palestinian people and commando movement in efforts to recover their

rights, we will accept no partners in Lebanon."

Arafat's mainstream Fatah faction denied it was attempting to usurp power, in a press statement also published yesterday. It said Amal was using this as a pretext to attack the camps and called on Syria to help end "this cowardly war."

The Palestinians are apparently refusing to give up ground they gained near Sidon till Amal lifts its siege of Rashidiyah. The Tyre-area refugee camp came under renewed shelling from Amal yesterday.

Palestinians had thrust up to 10 km. beyond Sidon-area camps, capturing four Amal-held villages, in their first offensive in the South since the 1982 Israeli invasion.

Also in West Beirut yesterday, police said a pro-Iranian Hizbullah activist and a Shi'ite Moslem member of an Iraqi-backed wing of the Socialist Ba'ath party had been assassinated.

Hizbullah said in a statement published by several Beirut newspapers that a 16-year-old activist was found shot dead in his house at Beirut's suburb of Jnah on Monday.

In the second murder, police said four gunmen intercepted a physician, also a Shi'ite, as he was driving his children to school in West Beirut on Monday; shot him in the head and escaped. (AP, Reuters)



The coffin of Mozambique President Samora Machel is carried by high-ranking Frelimo officials yesterday at his funeral in Maputo. (Reuters telephoto)

Mozambicans bid farewell to Machel

MAPUTO (AP). — Holding flowers as trumpets played funeral hymns, Mozambicans said farewell yesterday to President Samora Machel, who led them to independence and died in a plane crash that stirred Third World protests against South Africa.

African royalty, presidents and guerrilla leaders, along with diplomats from both East and West, were among thousands who gathered in Independence Square for the ceremony.

They heard Machel eulogized as a soldier who fell in the fight against apartheid, South Africa's system of legalized race-separation.

More than 100 countries were represented, but South African diplomats from Pretoria were not invited. It was not immediately determined whether Colin Patterson, the South African trade representative in Maputo, was in the crowd.

Guests included Oliver Tambo, head of the African National Congress guerrilla movement that seeks to end white control in South Africa, Manoranjan, U.S. President Ronald Reagan's daughter, and Geidar Aliev, first deputy prime minister of the Soviet Union.

Aliev's presence was a sign of close Soviet ties with Mozambique's Marxist government.

A military band played dirges in occasional light rain. Many in the crowd carried bouquets of yellow and purple flowers, some pulled from bushes in a nearby park.

Machel's coffin, draped in the national flag with its symbols of a gun, a hoe and a book, rested on the steps of city hall.

Machel's body lay in state in city hall after the October 19 crash of his plane, just inside the South African border, on a flight from Zambia to Maputo.

Red Sox caps burned in celebration

Mets fans are "cool" people

NEW YORK (AP). — They burned Red Sox caps, they danced in a parking-lot-turned-disco, they drank and shouted and generally exulted in their team's climb from worst to first. It was a night for Mets fans.

"That's right, they're amazing," screamed Richard Kish, after watching New York beat Boston in the seventh and final game of the World Series, 8-5.

Ticker tape parade

NEW YORK (Reuters). — The New York financial district was buried yesterday under hundreds of tons of paper thrown out of office windows in a ticker tape parade celebrating the Mets' victory in the World Series.

An estimated 2.2 million people lined the 1.6 km. parade route past the New York Stock Exchange and up Broadway to City Hall, following two orange and blue stripes, the Mets' team colours, freshly painted in the centre of the road by crews who worked all night.

Street sweepers had to drive snowplows ahead of the bands and cars — all convertibles with their tops down — carrying the Mets, because of the pile-up of paper.

Chastened by a tremendous show of police force — both on and off horseback — the crowd stood and cheered, and stayed off the field when Jesse Orosco struck out Marty Barrett to end the Mets' season with 116 wins.

During the game and in the ensuing madness, there were 15 arrests at Shea Stadium for offences ranging from assault to car theft. Red Sox travelling secretary Jack Rogers was hit on the head with a partially filled soda can that was thrown from the stands, and suffered a gash.

But there was no wholesale lawlessness, like the incidents two years ago in Detroit after the Tigers won the Series or the rampage that followed the Mets' division clincher this season, when fans tore up the playing field.

"I know why?" asked Bob Leicht. "Cause we're New Yorkers, and New Yorkers are cool people."

Red Sox first baseman Bill Buckner, whose error in Game 6 allowed the Mets' winning run to score, was greeted with derisive cheers by the Mets' faithful Monday night. He does not agree with Leicht.



Mayor Ed Koch of New York is hugged by the Mets' Lee Mazzilli during victory celebrations Monday after the Mets beat the Boston Red Sox 8-5 in New York to win the World Series. (Reuters telephoto)

"I wouldn't classify them as good fans. Some of them were rude," Buckner said after the game.

Starting pitcher Ron Darling had complained that the stadium was too quiet, that the real fans had been replaced by a more affluent, more sedate bunch who could afford the \$40 ticket price and had the clout to obtain tickets.

But from the very start Monday night — when the fans booed Jean Yawkey, the venerable owner of the Red Sox — Shea resounded with sound.

The noise did not subside when the Mets fell behind, 3-0. And when they came back to tie it in the sixth inning and then went ahead, the crowd sang along with Frank Sinatra's *New York, New York* and the rock group Queen's *We will rock you*.

When Ray Knight homered, boisterous beer-drinkers sprayed the entire left-field bleachers with suds. And when the Mets were poised in the ninth to win the championship, someone threw a red smoke bomb into left field, delaying the final out. Police arrested a 27-year-old Brooklyn man.

The public address announcer repeatedly said it was "absolutely essential" that fans remain in the stands after the game: to reinforce the point, mounted police made cameo appearances from time to time.

Most heeded the warning, but one 18-year-old was arrested on the field and charged with criminal trespass. He managed to elude police, and got as far as second base.

The game over, the party began. First they stood and cheered themselves hoarse in the stadium, and then they adjourned to the parking lot.

"Don't worry, we're not driving home. We're taking the train," said one young man who wore nearly as much beer as he had consumed.

Horns blared, fireworks exploded and strangers shook hands. Jamie Caputo was standing in the middle of the lot holding a flaming object. He explained that it was a Red Sox cap, one of five that he had burned since the end of the game. "I thought them to burn them," he said.

(See Sports, page 7)

Auschwitz's 'William Tell' on trial in Germany

WUPPERTAL, West Germany. — A 65-year-old former Nazi concentration camp guard known to inmates as "The William Tell of Auschwitz" went on trial on six murder charges here yesterday.

Gottfried Weise, a pensioner, is accused of killing three Auschwitz prisoners in 1944 by using them as human firing practice targets as well as killing three other inmates, one for not getting out of bed quickly enough.

The prosecution alleges Weise gained his nickname of "William Tell" because of his practice of placing a tin on the inmates' heads as a target and shooting until he hit the prisoners and killed them.

Prosecutor Wilhelm Roeseler, who heads the Cologne-based office for the investigation of concentration camp crimes, told the court Weise had shown no respect for human life and had killed his victims "cruelly, for baseless reasons."

Weise had denied the charges. He said in a statement he "had nothing to do with any of the charges and had never fired a shot" from his service pistol.

Meanwhile, lawyers of Andrija Artukovic, convicted of war crimes and sentenced to death in Yugoslavia, have appealed for conversion of

the sentence, claiming their client's health has seriously deteriorated.

The *Vecernje Novosti* newspaper reported that both the supreme court of Croatia and the federal court of Yugoslavia have already rejected normal appeals in favour of Artukovic. The latest appeal was filed with the federal court.

The 86-year-old Artukovic has been held in a prison hospital in Zagreb and has been reported suffering from heart problems, blindness and senility.

Artukovic was found guilty on May 14 of "crimes against humanity" as well as "crimes against international law and war crimes" by the district court of Zagreb.

In Los Angeles, testimony about death and suffering in Nazi concentration camps will be allowed at the deportation hearing of a retired grocery clerk accused of being a guard at Dachau.

Bruno Blach, 66, faces deportation to his native Czechoslovakia if the Justice Department proves he was a Nazi SS guard and dog-handler at the Dachau and Wierder-Neudorf concentration camps.

Prosecutors say Blach participated in the persecution of Jews, Gypsies, Slavs and Christian clergymen. (Reuters, AP)

Jordan cracks down on beggars

AMMAN (Reuters). — Jordanian authorities are cracking down on beggars, some of whom have been found to be earning as much as top civil servants.

At the same time the government has set up a national aid fund to help the needy.

Security authorities have asked the public to report beggars as part of a campaign to stop what the government calls the "un-Islamic and negative phenomenon of begging."

A special camp is to be set up in the southern port of Aqaba to provide beggars with shelter while their cases are investigated.

Officials said after a recent roundup of beggars in Amman that their monthly average income exceeded 600 dinars (\$1,800).

"I can say that a beggar's average daily earning is not less than 20 dinars (\$60), more than the average income of some 90 per cent of the people pursuing an honourable living," said Farouk Naghawi of the Socialist Development Ministry.

He said that out of 148 men, women and children arrested recently in Amman for begging, 60 needed psychiatric care and were handed over to the Health Ministry.

Begging is an offence under Jordanian law, punishable by prison terms of three to 12 months.

"The true Moslem is a kind and generous soul, but Islam rejects begging and those who have made begging a profession must be confronted," says Ahmed Hilayil, head of the Islamic Affairs Ministry department of preaching and guidance.

Moslems are required to give alms to the poor through the "zakat" (alms tax), one of the five pillars of Islam.

The government says there is poverty, often a reason for begging, and has created a 1.5 million dinar (\$4.3 million) fund to help the needy earn a living through work.

National Aid Fund chairman and Labour Minister Khaled al-Haj Hassan has called for public contributions to the fund, which has 1,628 families or 10,000 people on its register.

MIDDLE EAST BRIEFS

Fahd changes title

JEDDAH (Reuters). — King Fahd of Saudi Arabia has changed his title from Majesty to "the servant of the two shrines" — Islam's holiest sites in Mecca and Medina. Riyadh Radio said Fahd announced the decision Monday night in Medina, where the Moslem faith was born 14 centuries ago. The Saudi Arabian royal family regards itself as the custodian of the Moslem holy places.

Scandal in Teheran

TEHERAN (AFP). — Ayatollah Khomeini's chosen successor as Iranian spiritual leader, Ayatollah Ali Montazeri, yesterday denied rumours he had resigned over allegations that his aide and son-in-law, Mehdi Hashemi, had kidnapped a Syrian diplomat. Montazeri's office in Teheran told AFP he was "still very much the appointed next leader."

Error of judgment costs 'Beeb' over £500,000

By LAURENCE MARKS LONDON. — After several days in court, the British Broadcasting Corporation has belatedly settled a libel action brought against it by two Tory MPs, Neil Hamilton and Gerald Howarth, whom the corporation's prestigious weekly TV current affairs programme, *Panorama*, had accused of being fascists and racists.

The agreed damages are £20,000 for each plaintiff, but the BBC will also pay £500,000 in lawyers' bills for a case that has been dragging on for two years.

The injury to the BBC is threefold: First, there is the staggering financial penalty it is paying for the original misjudged decision to defend an action which could have been settled with a retraction and a few thousand pounds when it was launched back in 1984.

The corporation, financed out of an annual £65 licence fee, has been engaged in a running battle with successive governments of all political hues over its escalating costs. The

broadcasters argue they need the money in order to hold their own against competition from the wealthier independent TV network, which is financed out of advertising. The Beeb's critics argue that it should cut its coat according to its cloth.

A half-million pound error of judgment will not help the BBC gain public sympathy for its cause.

Secondly, there is the injury done to the BBC's reputation for fair reporting. The Tories (Conservatives) complain that some of the corporation's current affairs journalism is skewed against them, and that several reporters, interviewers and programme editors proceed from left-of-centre political assumptions. During the past few months, Conservative Party headquarters have been monitoring programmes for evidence of bias. Even a recent drama series, *The Monocled Manneer*, about a confidence trickster who passed himself off as an army officer during World War I and played a part in a famous

mutiny, has been denounced as an "incitement to class hatred."

The BBC naturally denies the accusations. Since politicians' judgments of journalistic objectivity are themselves, of course, highly subjective, it is difficult to make the charge stick. But by being forced to admit that the *Panorama* team were in error and had placed two MPs under an unjustified political and social cloud for two years, the BBC has seriously weakened its moral position.

Thirdly, and most damaging of all, the decision to settle the court action has exposed internal dissension within the corporation's ranks. Its director-general, Alastair Milne, and his senior colleagues, believed the defence of the action should be continued. Milne is reported to have described *Panorama*'s evidence against the MPs as "rock solid."

He was forced to throw in the sponge by the board of governors and, in particular, by the board's strong-minded new vice-chairman,

the former Labour politician Joel Barnett, who is in charge until the new chairman takes over next month.

This is not the first recent occasion on which Milne has been overruled by his governors. Last year, they forced broadcasters to postpone a TV documentary programme about political terror in Northern Ireland. The board's interference then provoked an unprecedented one-day strike by TV and radio journalists.

The BBC's critics argue that these events demonstrate that its journalists need firmer control, and that Milne is unable to command his own ship. The BBC's defenders argue that the governors are developing an unhealthy habit of interfering in what is properly the sphere of editorial decision-making.

Either way, the present climb-down reinforces a widespread impression that the BBC's command structure is a mess.

(London Observer Service)

Lights going out in Russia

MOSCOW. — The Soviet Union has an energy crisis arising from last April's disaster at the Chernobyl nuclear power plant, whose effects have been aggravated by vagaries in the climate.

Chernobyl was producing 4,000 megawatts from its four reactors, one-seventh of the Soviet Union's total nuclear generating capacity. Last month one of the three undamaged reactors was restarted, and a second is supposed to come back on stream "shortly." But it will be some time before the third returns to service, depending on completing the "entombment" of the adjoining, burned-out fourth reactor.

In addition, the need to modify RBMK-type reactors has contributed to delays in the commissioning of new plants at Zaporozhye and Rovno in the Ukraine, and at Kalinin, 160 kilometres north-west of Moscow.

Altogether, nuclear power now

accounts for 11 per cent of Soviet generating capacity, thermal and hydro power providing the rest. Thermal power is adequately supplied with oil and gas from Siberia, but hydro power has been adversely affected by an unusually low summer rainfall, which has lowered lake and river levels.

In what could turn out to be an exceptionally hard winter (two early snowfalls brought a premature autumn), citizens are being asked to switch off lights, and in many cases to go without street lighting. Some illuminated propaganda signs, by which the authorities seek to give Soviet cities a touch of the glow of Western neon advertisements, have been switched off; factory shifts have been reorganized to spread the electricity load, with certain plants closing on weekdays and working on the weekends.

The problems were spelled out last weekend in a long *Izvestia* interview with Dmitri Protsenko, energy

head of the Ministry of Power and Electrification. In it he exhorted readers not to waste vital resources on which the current ambitious five-year economic plan depended.

Ironically, one of the basic problems lies with the almost free provision of energy in people's homes. Electricity charges are essentially nominal, and heating and hot water are included in the already low rents, with the result that all are used freely. Most people wash dishes under a running hot tap, and there are in fact no controls by which to turn off the centrally-provided house-heating. As a result Moscow apartments are suffocatingly hot.

None of this discourages Muscovites from buying additional heating appliances, however. And just as Chernobyl was taking its toll, the capital's department stores produced an exciting new range of electric space heaters which simulate the glow of a coal fire.

(London Observer Service)

A Taste of India



The Jerusalem Hilton's authentic Indian food festival — A Taste of India, with all the flavours and aromas in a zesty choice of imaginative dishes. A Taste of India, continuing through to November 6, for lunch (12:30-3:30 p.m.) or dinner (6:30-9:00 p.m.), at the Lounge (vegetarian) or the Hamsah (meat). Buffet-style, strictly kosher.

Don't miss it! Jerusalem Hilton

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WISHES SHANA TOVA! שנה טובה

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0893-31-114

The price of treason

By MENACHEM SHALEV
Jerusalem Post Reporter

If Mordchai Vanunu were ever to be brought to trial in Israel and if he were convicted, it is unlikely that he would face the death penalty.

Some of the offences which might be attributed to Vanunu based on foreign media accounts of his actions — such as treason or espionage, are punishable by death. However, section 96 of the Penal Law states that "a court shall not impose the death penalty unless the offence was committed during a period when armed hostilities were being carried on by or against Israel."

Section 125 of the same law permits a prisoner suspected of crimes against state security to be held in a detention area "designated by the Minister of Defence." Other laws permit a defendant to be held for up to 30 days without being allowed to see his counsel or for relatives to be notified of his arrest.

If a person is held in a detention area as defined in section 125, a senior police officer may order his detention for 15 days before bringing him before a judge.

Dr. Miriam Gur-Arye, who teaches criminal law at the Hebrew University in Jerusalem, believes that on the basis of published information, the most appropriate charge against Vanunu would be that "aggravated espionage," in section 113 of the Penal Law.

Section 113 (b) allows a term of life imprisonment to be imposed on a person "who delivers any secret information without being authorized to do so and with intent to impair the security of the state."

The prosecution's main challenge in a charge under section 113 (b) is to prove intent. If intent is not proved, an offender is still liable to 15 years' imprisonment under section 113 (a). Gur-Arye does not believe that Vanunu is likely to be charged with "treason" which entails acts calculated to impair the sovereignty of the state, or to bring about military action against Israel or to assist an enemy in a war against Israel.

On the issue of intent, Gur-Arye recalls the case of Czech-born Technician professor Kurt Sitte, who in 1960 was convicted of passing secret information to foreign agents. Sitte maintained that he had not had any intention of harming the security of the state, and had acted out of concern for the welfare of his relatives.

On appeal, the Supreme Court ruled that "in the context of offences against state security a person is responsible for such consequences of his actions as are highly probable."

Thus a defendant's claim that he had not intended to damage the security of the state, or had not known that such damage would be caused, will not stand if the prosecution can prove that such damage was "highly probable."

Australian clergyman John McKnight told a press conference in Jerusalem on Sunday that Vanunu had sought to resolve the "Christian moral dilemma" posed by the spectre of nuclear weapons.

Gur-Arye says that the question of motive is irrelevant under the law, unless stated otherwise.

Section 22 of the Penal Law exempts a person of criminal responsibility if he can show that the crime was committed "to avoid consequences which could not otherwise be avoided."

But this exemption does not apply to the Law's Chapter Seven offences of "state security, foreign relations and official secrets," although it is grounds for mitigation of the sentence.

Additionally, says Gur-Arye, section 22 applies only to "immediate and concrete dangers" to the offender himself or to others "whom he was bound to protect."

In Israeli law, this defence does not apply at all to dangers to the public and general good.

Gur-Arye also points to the "draconian" measures of section 128 of the law, which allows a court to order "that the accused or his counsel shall not be present at a particular proceeding or shall not inspect some particular evidence."

HU attack Levy for politicizing dorm fees

By BERNARD JOSEPHS
Jerusalem Post Reporter

Furious Hebrew University officials yesterday accused Housing Minister David Levy of disrupting the start of the academic year to win political favour with students.

They attacked the minister after he turned down an appeal by the university to allow them to raise dormitory fees.

University President Amnon Pazy warned that the minister's decision, which he said went against a Treasury recommendation, meant the institution might be forced to postpone the opening of the academic year on Sunday.

The Hebrew University has accommodation for some 5,000 students. Their rents have been frozen at about \$45 a month by government order since July 1985.

On Monday, the university — which is facing grave financial problems — announced that it would lose about \$1 million in the coming year unless it could raise the rents.

It said that if the Housing Ministry, which has been considering the issue for several months, did not allow the raise, it would have no alternative but to close the dormitories — and that meant closing the university.

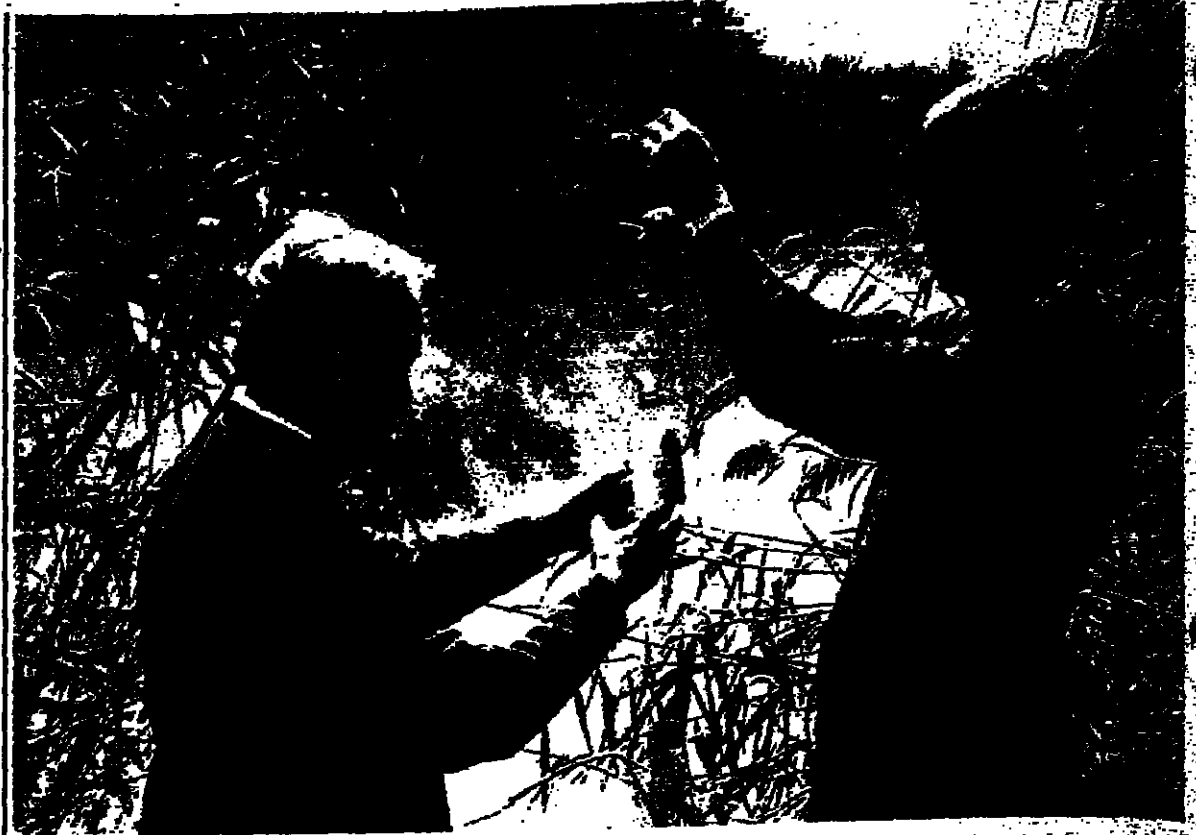
Yesterday, after students opposed to the increase threatened to boycott the start of the academic year and met with Levy, the minister told the university the rents must stay put.

"This is a catastrophic decision," said Pazy, who complained that he had read about it first in the press. "It is inconceivable that the university should open without accommodation for the thousands of out-of-town students."

"But in the present circumstances, when we are in such terrible financial straits, I cannot take it upon myself to run up a \$1m. deficit."

The president said he was asking for a meeting with the housing minister and was even considering applying to the High Court of Justice.

"My feeling is that this is a political issue," he added. The students went to Levy and talked him into refusing the increase. The minister wanted to win their political support. I am sure 90 per cent of the students who need dormitories would agree to pay the increase, which is only about NIS 20 to NIS 30 a month."



Two members of an international Christian Orthodox peace conference fill a bottle with water from the Jordan River yesterday at the traditional site of Jesus' baptism, before crossing into Jordan to meet with King Hussein. The church officials taking part in the conference this week presented a resolution to President Herzog calling for the destruction of all weapons. They also honoured the memory of St. Cyril, bishop of Jerusalem, marking 1,600 years since his death.

(Feinblatt/Media Images)

Dimona reactor part of 1956 Sinai deal

By MENACHEM SHALEV

The French agreement to mastermind and fund the construction of the nuclear reactor in Dimona was part of the overall "deal" which preceded the Sinai campaign, according to the latest issue of the monthly *Moniteur*.

Other revelations contained in the magazine's excerpt from the upcoming book "Sinai '56 — a new perspective" by Yosef Evron include David Ben-Gurion's "grand design" for the Middle East. The book quotes Ben-Gurion as having said to French Prime Minister Guy Mollet that "Jordan is an artificial state... Lebanon suffers from a surplus of Moslem

population and would gladly rid itself of the areas in which this population is concentrated. Thus, Jordan must be dismantled, the East Bank should be annexed to Iraq in exchange for its agreement to settle most of the refugees in its area; the Western part of Jordan should be organized as an autonomous Arab region which will be economically linked to Israel while Israel manages its defence and foreign affairs. As to Lebanon, the regions south of the Litani River should be annexed to Israel."

Moniteur is also publishing the full text of the secret British-French-Israeli agreement. The existence of

which has been consistently denied by the British.

According to the text, Britain and France insisted that the Israeli action against the Egyptians constitute "a real act of war" which could justify their intervention. The sides agreed that British and French aerial bombardments would commence no later than 36 hours after the start of the Israeli operation.

The agreement also stipulates that France would guarantee Israel's air defences by stationing two fighter squadrons in Israeli air bases for use in an emergency. France also agreed that its navy would defend Israel's shorelines.

Syrian message put M15 on to Hindawi

By DAVID HOROVITZ

Jerusalem Post Correspondent LONDON. — An Anglo-American intelligence team put British Security Services (M15) on the trail of Nezar Hindawi almost two months before his attempt to blow up an El Al plane on April 17, intercepting a message from the Syrian Embassy in London to Syrian Air Force intelligence in Damascus.

The message, in a code that the Syrians thought secure, was picked up and decoded by British Government Communications Headquarters (GCHQ), working in collaboration with the U.S. National Security Agency (NSA) at Fort Meade, Maryland.

Immediately after intercepting the message — a request for further Damascus assistance for Hindawi in putting his plan into operation — Hindawi was placed under 24-hour M15 surveillance.

When he was seen repeatedly visiting the Syrian Embassy and meeting with three Syrian diplomats in particular, the Home and Foreign Offices gave M15 permission to bug some embassy rooms and telephone lines. Sophisticated equipment allowed for the bugging to be done from outside the embassy.

The results of this bugging, together with telephone intercepts, allowed Foreign Secretary Sir Geoffrey Howe to speak of "conclusive evidence" of Syrian involvement with Hindawi when he announced on Friday that Britain was severing ties.

It was as a result of this evidence that Britain earlier expelled Hindawi's three diplomatic contacts in the embassy after they refused to waive their immunity and answer Scotland Yard questioning.

The expulsion of his diplomats put Syrian Ambassador Dr. Loutouf al-

Haydar on his guard. He knew the British were on to something, but he didn't know quite how much they knew. This is why the ambassador had no contact with Hindawi after his arrest, forcing him to appeal to Damascus through his cousin in Italy instead.

The message interception has brought unwelcome publicity for the GCHQ-NSA link, and the widespread monitoring of military, commercial and diplomatic messages sent by radio, telex, teletype and microwave.

The Syrian Embassy was apparently on the "automatic" monitoring list, and while the KGB, for example, has been able to overcome the monitoring operation in the past by filing numerous false messages, the Syrians are not yet quite so adept at throwing the intelligence-gathering agencies off the scent.



President Herzog plants a sapling in the 50,000-tree forest dedicated yesterday in his honour at Tel Azeka near Beit Shemesh. The forest is supported by contributions from the Jewish National Fund in Great Britain and Ireland, and is located near forests named in memory of Herzog's father, the former chief rabbi of Israel, and his mother. Because of shmitta restrictions banning planting during the sabbatical year for the land, all the saplings used in yesterday's ceremonial planting were encased in plastic bags in accordance with a rabbinic ruling. At left is JNF chairman Moshe Rivlin.

Police to check cars

TEL AVIV (Itim). — In two weeks the police are to start making spot checks of vehicles along the road, and those found to have serious safety or mechanical defects will not be allowed to travel.

Members of the Israel Garage Association yesterday began carrying out safety checks in its annual "Prepare Your Car for Winter" campaign.

Garages are charging NIS 2 for the examination of brakes, front axle, steering, and tires. Automotive electricians are charging NIS 1 for checking the lights and windshield wipers.

Cruising the seedier side of town

There are some places where the police may or may not have looked for Daniel Katz, known as the Theatrical Rapist, because he worked in the theatre before he was re-apprehended yesterday evening.

A sex boutique in north Tel Aviv in the middle of the entertainment district.

A movie theatre not far from Mograbi Square, where seven men sat far apart from each other in the morning audience and watched two women wrestling. None of the seven looked like the rapist.

A kiosk between the Agam sculpture and Dizengoff Centre, where a dozen magazines displaying various sections of various physiques, male and female, were clipped to a string hung across the top of the kiosk.

Several schoolboys in front of the kiosk paid no attention to the pictures. They were more interested in the bicycles for sale in the shop on the other side of the sidewalk. All of them were much too young to look like Daniel Katz.

A beauty parlour near the end of Rehov Gordon toward the sea where several transvestites, transsexuals and working girls meet to discuss fashion. None of them looked like Daniel Katz.

The editorial offices of *Bul*, the first of the newspaper porno maga-

zines produced in Israel by cutting out pictures from foreign skin magazines.

One of the last of the disreputable bars along Rehov Hayarkon, which was once the city's red-light district. The bar was closed to business, and the man washing the floor was too skinny to be Daniel Katz.

A post-office box number to which one can send money in order to buy a life-size rubber doll.

A sex boutique near the central bus station where half a dozen people milled about studiously ignoring each other while studying the pictures inside those magazines that were not sealed in plastic. One was a soldier with a duffle bag on his shoulder, one was a man with a knitted kippa. One was a man who had not shaved in a few days. One of the others who also didn't look like Daniel Katz was peering at pictures in a magazine about body building.

A Jaffa strip joint that's closed in the morning, but in the evening combines Israeli folklore, magicians

and what is described in advertisements as "a daring couple from Scandinavia who perform impossible-to-imagine things right before your eyes."

A bookstore on north Dizengoff which sells Judaica, pocketbooks and old copies of glossy sex magazines.

Another sex boutique, in a commercial centre on Ibn Gvirol, which has beige curtains and potted palms in the window, and which was recently burgled.

A hotel near Mograbi Square where it is possible to rent a room for an hour. In a camera shop nearby there was a man who looked a little bit like Daniel Katz.

The lobby of a much fancier hotel, where in the evenings it is possible to arrange for very expensive working girls to meet you in the bar or in your room.

A fashion house not far from Migdal Shalom, where the bathing suits were advertised in large posters showing two wet women in identical black-strapped suits clutching each other while standing in what appears to be a very large ceramic-filled shower stall. The two women are wearing goggles and bathing caps.

The one whose face is toward the camera is baring her teeth. Her red fingernails seem to be digging into the back of the other woman.

Tel Aviv Tel Aviv

Robert Rosenberg



ISRAELI PHILHARMONIC ORCHESTRA — with Shalom Mintz, conductor and violinist, and Bruce Weinstein, double bass. (Tel Aviv — Mann Auditorium, October 27.) Schwartz: Overture to "Rimanesque"; Bach: Concerto for violin, cello and strings in C minor; Haydn: Symphony No. 104.

For a player or singer seeking a way out of the constraints of musical specialization, conducting is the obvious haven. Israeli musicians have been conspicuous among the growing number of newly born maestros.

Daniel Barenboim, the first to undergo such a transformation, has become one of the great conductors of our time. In addition to one of our finest pianists, Violinist Pinhas Zukerman, too, has a wide-ranging conducting career to his credit. Now Shalom Mintz, the 29-year-old violin

Intense conducting debut

virtuoso, is following suit.

Both for him and for the orchestra, Mintz's IPO conducting debut must have been an intense emotional experience. After all, the Philharmonic has played with the raising star since his bar mitzva, when they appeared together on the Mann Auditorium stage. There was hardly a player on the stage Monday night who was not rooting for the conductor. The same applied to the audience.

Facing a top-flight orchestra, Mintz's strengths and weaknesses as a conductor emerged clearly. He cut an impressive figure on the podium, and his control proved exemplary. The directions, expressive if not incisive, reflected the intellectual grasp of the scores (he conducted from memory).

This said, I wondered whether Mintz had sufficiently mastered the

difference between playing and conducting: what is self-evident to a soloist must be transmitted to an orchestra. Not an easy change to make, but it is an absolutely necessary one.

As it happened, too much of the music just went along without making an impact one way or another. Granted, Mintz being the musician he is and his players a first-rate ensemble, almost everything was in good order. Still, the expressive edges too often remained blurred, and neither the demanding Schubert nor the Haydn emerged quite as convincing as was their due.

The Bach double concerto, Mintz and Bruce Weinstein, the oboist, played in fine form. Sections of the slow movement, just before the final return of the theme, were performed with a magical touch.

ELI KAREV

Civil servants' right to criticize limited

Supreme Court President Meir Shamgar ruled yesterday that civil servants do not have the same rights as others to criticize the government in public, and must be careful about both what they say and how they say it.

Shamgar formulated several basic principles governing public statements by civil servants in a ruling on an appeal by Gideon Spiro, formerly head of the foreign desk in the Government Information Centre, in

letters to the editor written in 1982 and 1983 and in other public statements. Spiro made what Shamgar called insulting and belligerent attacks on the government.

Spiro referred to Ariel Sharon and former chief of general staff Rafael Eitan as "war criminals," described the government's policies in the administered territories as "racist," and expressed support for Palestinian terrorist organizations.

For these acts, Spiro was tried by a

civil-service disciplinary court and fired without any rights to severance pay or pension.

Shamgar accepted only part of Spiro's appeal, and restored his pension rights.

In elaborating on the civil-service rules prohibiting civil servants from criticizing the government in public, Shamgar noted that the civil service must uphold a neutral position on controversial issues in order to merit

the confidence of the public.

He said that internal channels are available for civil servants to express themselves. But when they "turn into propagandists attacking official policies," civil servants undermine the functioning of democratic government.

The civil servant's duty to protect the neutrality of the public service thus legitimately restricts his freedom of speech, Shamgar concluded. (Itim)

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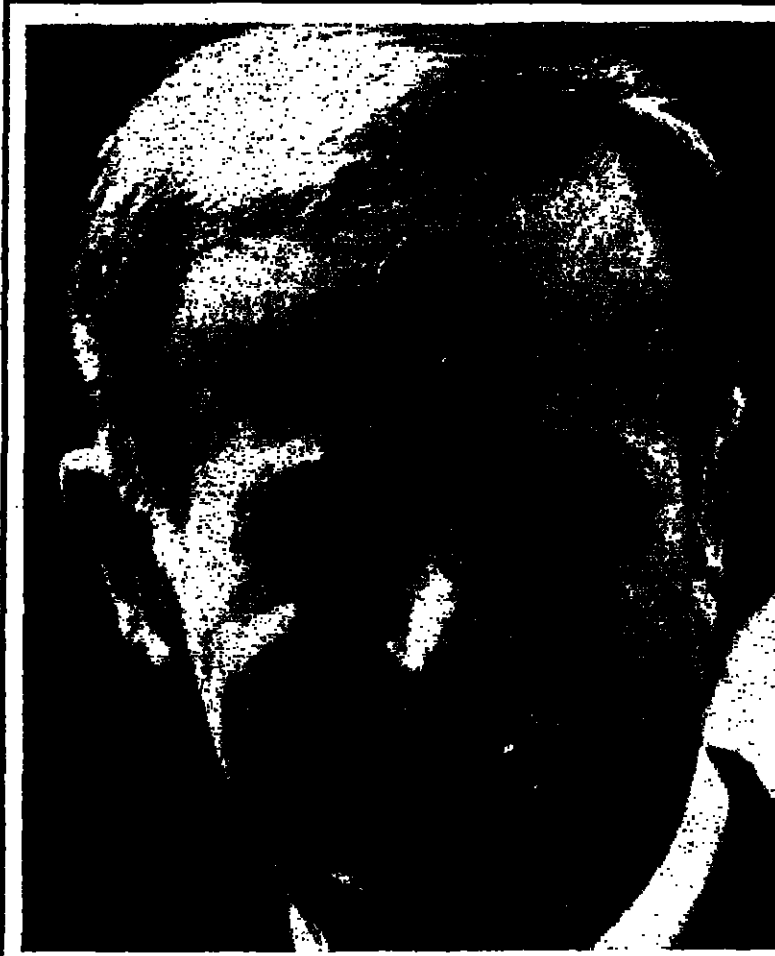
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היפוקול
לקחת וליהנות מכל היתרונות

THE ROAD TO DAMASCUS

'There are others involved,' said the judge in the Hindawi trial. 'Some in high places.' Colin Smith and Simon de Bruxelles investigate how high up in the Syrian government hierarchy the trail of terrorism reaches from the streets of London



Did Syrian President Hafez Assad know about the plan to blow up an El Al jet? Nezar Hindawi (right), who sent his girlfriend to carry the bomb, made a dry run from Damascus to London last February.



(Camera Press)

where spend a good deal of their time trying to penetrate one another, there is no evidence that Hindawi ever worked for Mossad.

Nor has any proof emerged to substantiate suggestions — made by both President Assad, in a long interview with *Time* magazine, and counsel for the defence at the Old Bailey — that the Israelis somehow masterminded the whole affair.

Hindawi's barristers even went so far as to maintain that the very absence of proof of Israeli skulduggery was in some Machiavellian way an indication that it was present.

"Hindawi has been convicted of a monstrous and inhuman crime," Sir Geoffrey told the House of Commons last week. "If he had been successful, hundreds of human lives would have been lost. The way in which he deceived his pregnant girlfriend into carrying the bomb was particularly wicked and has aroused deep and universal repugnance."

Hindawi looks a bit of a ladies' man: thick, rather sensual lips above a dimpled chin; pepper-and-salt, dark curly hair; slim build. From the dock he was frequently to be seen smiling at the female solicitor on the defence benches.

FROM HIS statement to the police, when he at last gave up his insistence that he thought the bag contained drugs and not Czech plastic explosives, it seems Hindawi first started working for Syrian intelligence seven years ago. He went to Damascus, perhaps on behalf of King Hussein's secret service, to make contact with Jordanian exiles.

Picked up by Syrian security, he soon agreed to work for Syrian Air Force intelligence. Assad comes from the Air Force and this is the most senior intelligence service among at least three competing agencies — the guards who guard the guards.

Hindawi's control appears to have been a Colonel Haitham Sayed, well known in Damascus as the chief of staff of General Mohammed al-Khuli, the head of Air Force intelligence and said to hold almost daily briefing sessions with Assad.

The terrorist's brother, Ahmed Hasi, who was arrested by West Berlin police after a tip-off from Scotland Yard, also named Colonel Sayed as the man he dealt with.

It was Sayed who was alleged to have shown Hindawi how to put together the bomb in the trolley by simply placing the detonator hidden in the Commodore calculator above the false bottom where the plastic explosive had been rolled out like pastry.

It was also Sayed who provided the Syrian service passport, which is issued to officials who are not fully accredited diplomats, on which Hindawi made a dry run from Damascus to London last February.

On that occasion the Jordanian did not contact his pregnant Irish girlfriend, Anne-Marie Murphy, a chambermaid at the Hilton whom he had met at a wine bar.

For a five-month period his only contact with her was a couple of

phone-calls and a postcard from Italy. It was not until the beginning of April, almost five months after he'd last seen her, that he suddenly turned up with promises to marry her and with £200 for a wedding dress.

THE QUESTION still remains: How far up the Syrian establishment did the plan go to blow up an El Al jumbo? Was it a maverick operation by an almost autonomous secret service? Did President Assad know? If not, why not? In the Byzantine world of Syrian politics it is possible that somebody was trying to provoke a war with Israel that would bring Assad down.

In a letter Hindawi smuggled out of prison to his cousin in Genoa, who was shortly afterwards himself facing charges of belonging to "an armed band," the Jordanian was obviously hoping both Colonel Sayed and Ahmed Hasi would help spring him and his brother from jail.



Above: Sir Geoffrey Howe: 'Hindawi has been convicted of a monstrous and inhuman crime.' Below: expelled Syrian ambassador Loutof Haydar, dining at London's Dorchester Hotel.



"Go to Damascus and talk with brother Abu Ahmed Haitham (Sayed's nickname) of the following: First, Ahmed Jibril has two Israeli prisoners. Haitham has his word... A prisoner exchange should be organized which must include my brother Hasi."

Jibril has once before exchanged three Israelis for 1,100 Arab prisoners, so it was understandable that Hindawi might pin his hopes on him. The letter would also appear to confirm a link between his control, Colonel Sayed, and Jibril, who advised people not to use Israeli or American aircraft in the Middle East.

(London Observer Service)

ONE OF BRITAIN'S top diplomats must be wondering how long he will have to endure the withdrawal symptoms to which he has been subjected following the verdict of a London jury. Mr. William Tomkys was in Damascus as ambassador until the outcome of the Hindawi trial resulted in his recall.

Mr. Tomkys's former postings include Amman, Benghazi and Bahrain, after the usual spell at the Foreign Office's now-defunct Middle Eastern Centre for Arabic Studies in the Druze village of Shemlin overlooking Beirut.

Mr. Tomkys, who got a first-class degree with honours at Oxford, is one of a band of brothers at the Foreign Office, where the Arabists tend to be an elite within an elite.

Sir Patrick Wright, the permanent under-secretary and a former ambassador to Damascus, is another. It was Sir Patrick whom the expelled Syrian ambassador, Dr. Loutof Haydar, rather ungraciously referred to as a "pink potato" as he emerged from the Foreign Office last Friday afternoon, having received his marching orders.

It was an understandable bit of spleen. Dr. Haydar evidently enjoys living in London and now his diplomatic career in the West is over. No Nato country will accept him as ambassador again. And it must still have come as a shock that Britain, which has more Arab experts in its Foreign Office than any other Western European country, should be the first to publicly accuse Syria of state-sponsored terrorism — an accusation usually levelled only at the Libyans.

"THE JURY considered Hindawi guilty as charged, and we have reached the same conclusion about the Syrian government," said Foreign Secretary Sir Geoffrey Howe last Friday, shortly after the terrorist Nezar Hindawi responded with a V-sign to the public gallery as he was led from the dock to start a 45-year sentence for trying to blow up an El Al Jumbo with 380 on board.

Yet it was only eight months ago that the foreign secretary firmly took Syria's side against the Israelis. The incident, comparatively trivial in the long war between the Arabs and the Jewish state, occurred last February. A twin-engine civilian jet flying from Libya to Syria was forced to land in Israel by two Israeli jets.

Mossad, the Israeli intelligence service, thought that the Gulf Stream contained a clutch of Palestinian terrorist leaders returning from a meeting with Colonel Gaddafi in Tripoli. Among others they expected to collar were Ahmed Jibril of the Popular Front for the Liberation of Palestine-General Command, and perhaps even Abu Nidal himself, the most wanted man on earth, with a record for killing Arab diplomats and Jews with the same zeal. Both men are thought to spend most of their time in Damascus.

But Mossad was mistaken. No terrorist leaders were on the plane. The aircraft was carrying a group of Syrian functionaries. After a few hours' interrogation, the Israelis

allowed the aircraft to proceed.

Predictably, all the Arab states were furious, and said so. But many Western politicians also made the Israelis aware of their disapproval for what had been a blatant hijacking. "It was without justification," said Sir Geoffrey Howe.

Syria and Libya were scared as well as angered by the action. Once again the Israelis demonstrated the impunity their aerial superiority has given them. If they wished, the Israeli Air Force could probably mount an aerial blockade of the eastern Mediterranean and oblige the Syrians to fly to Libya by way of a huge diversion over Turkey, Bulgaria and Yugoslavia.

Nevertheless, Syrian reaction was muddled as well as angry. In a matter of days several contradictory statements emerged. For while the state radio was vowing "retaliation," Foreign Minister Farouk al-Shara was assuring reporters: "Syria has never resorted to such acts of piracy and terrorism."

And then Ahmed Jibril, one of the terrorist leaders the Israelis had

been looking for, made a statement. He said simply that people would be at risk if they flew in American or Israeli aircraft over the Middle East. The threat was reported but did not cause much of a stir.

Jibril is a contradiction within a contradiction. Now in his late 50s, he is the son of Palestinian refugees who fled to Syria. During the 1967 Arab-Israeli war, he served in the Syrian Army, where he reached the rank of captain. Then, in the aftermath of that humiliating defeat, he joined Dr. George Habash's Popular Front for the Liberation of Palestine (PFLP) as his second-in-command.

They soon split up and Jibril formed his own group, the PFLP-General Command, which is almost always referred to as "Syrian-controlled" and is thought to have close contacts with the Syrian intelligence service.

One of the reasons for the split was that Habash wanted to be independent to mount the kind of international terrorist spectaculars such as Carlos's kidnapping of the Opec

ministers in Vienna that was such a feature of the mid-Seventies. Jibril declared that the struggle should be confined to the Middle East.

It therefore came as a surprise when, in February 1970, the PFLP-GC took the credit for putting a bomb aboard a Swissair Concorde jet bound for Tel Aviv, which crashed near Zurich with the loss of 47 lives — including 15 Israelis.

NEZAR Narwas Mansour Hindawi — who has been given the longest jail sentence in British criminal history and will not even be eligible for parole until the turn of the century — has a modest, lower-middle-class background.

He is from the village of Bagura in the Ghor Valley close to the Jordan river, and the family's real name is Hasi. They adopted Hindawi because it is the name of a large and prestigious north Jordan tribal clan. They are said to come originally from the West Bank and so are Palestinians.

His father, now a cook in a London restaurant, originally came to

Britain as a butler and general factotum at the Jordanian Embassy. He got Nezar's eldest brother, Mahmoud, a job as coffee boy at the embassy. By the early Seventies Mahmoud had taken a job in the Qatar Embassy, where he remains to this day.

Hindawi's two younger brothers are Nezar, and Ahmed Nawaf Hasi, who is 35 and next month will be appearing in court in West Berlin accused of bombing a club favoured by Syrian dissidents. They both became involved in the demi-monde of the Middle-Eastern intelligence agencies, mercenary bit-players whose main commitment was to hard currency.

A Jordanian source claims that over the past 10 years Nezar has worked for them against the Palestinians for the Syrians against the Jordanians; for the Iraqis against the Syrians; and even for Mossad. "And he was paid for it. This is quite definite."

WHILE IT IS true that intelligence services in the Middle East and else-

Hostess approach to social flashpoint

Helena Flusteder
For The Jerusalem Post

The five young women from Jericho who were chosen for the job have completed their secondary education, and will work in three sectors of the bridge: the arrival and tourist terminals as well as the VIP area, explained Colonel Eli Lavi, governor of Jericho, who is in charge of both the Allenby and Adam Bridges.

Their duties will range from guiding people to the right terminals, helping them in cases of lost papers and generally easing the whole process of crossing the bridge.

This project is just one of several

attempts by the Civil Administration to improve conditions at the bridges. Large-scale construction has reportedly been underway over the last year, including expansion of the search rooms at the Allenby Bridge, and additional rooms for travellers arriving from Jordan.

Today, there is also greater flexibility in the bridge's opening hours. The spokeswoman explained that since June, the bridge has been kept open several hours longer two days a week (Monday and Tuesday) especially to enable businessmen to travel across to Jordan and return, either the same or the following day.

Hikmat Mevi, 20, one of the five young hostesses at the Allenby Bridge said that her "job was to help people" and stressed the aspect of aiding travellers who have lost their papers.

The salary of 360 NIS a month, as well as the attractive uniforms, come from the Civil Administration.

A parallel plan to employ Arab women as hostesses is envisaged for the Adam Bridge, where a new terminal is being built and will be completed by the end of the year, according to the Civil Administration spokeswoman.

Chronic headache: Egypt's military debt

CAIRO (Itim). — The U.S. administration recently proposed that Egypt transform nearly \$5 billion of military debts owed to the U.S. government into private bank loans.

But that proposal, like a number of others aimed at resolving the long-standing military debt problem, foundered, according to the Egyptian weekly, *Ruz Al-Yousef*.

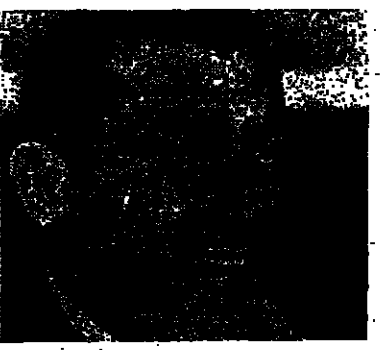
U.S.-Egyptian talks on resolving the outstanding military debt are in their fifth consecutive year, the weekly also noted.

Earlier this month, an Egyptian delegation headed by Kamal Al-Jaziri, met with the U.S. secretary of finance, American aid authorities and members of Congress to discuss the problem. The visit coincided with annual meetings in Washington of the World Development Bank and the International Monetary Fund, with which Egypt also is trying to reschedule debt payments.

The military debt problem is a particularly heavy burden for Egypt, which this year alone has to repay \$614m. in interest on the debt, while the new economic aid granted by the United States amounts to only \$815m.

The probability is that the U.S. will refund to itself some 80 per cent of the new aid it has promised to Egypt. The annual interest payment will increase to \$650m. next year, and it will go up even more in 1989, when Egypt must begin repaying the loan itself, as well as the interest.

Since the spring of 1982, when President Hosni Mubarak first vi-



Hosni Mubarak: Five years of talks with the Americans (Camera Press)

sited Washington, the Egyptians have proposed a number of possible solutions to the military debt problem. These include:

- Cancellation of or moratorium on, the military debt, or part of it, in the framework of a promise made following Egypt's signature of the Camp David accords. (The promise was that the military debts would be transformed into grants.)
- Reduction of the interest rate, which is more than 16 per cent, to a figure more in line with the now lower world interest rates. Egypt has suggested that the rate be reduced to 7 per cent.
- Debt rescheduling with reductions or new repayment schedules for the interest.

If these suggestions are unfeasible, the Egyptians have proposed additional U.S. aid, which would help to finance the punctual repay-

ment of the interest, so that the penalties imposed by the U.S. on other countries behind in debt payments would not be imposed on Egypt.

In addition, the recent Egyptian delegation asked the U.S. for an increase in military and economic aid, so that the total annual aid would amount to \$3.1m. instead of the present \$2.2m. The delegation also asked that Egypt be given forthwith, and in cash, all — or most — of the promised new economic aid of \$815m.

Three years ago, the U.S. government agreed to transform all future annual military aid to Egypt into a grant, rather than a combination of loans and grants. That step was taken after the grant portion of the military aid had declined to only one-quarter of the total military aid package, and the accompanying loans bore high interest rates. But the total annual amount of U.S. military aid was also reduced, from \$1.7b. to \$1.3b.

In another positive move, the U.S. aid authorities also agreed recently to be more flexible with regard to Egypt's use of economic investment loans. The loans have been allocated to certain basic economic sectors rather than to defined projects. The U.S. authorities have also allowed Egypt to obtain another \$110m. of economic aid in cash allotments in addition to the \$500m. already granted in cash.

But the U.S. administration has not yielded ground on any of the

more fundamental solutions to the military debt problem proposed by Egypt.

Part of the trouble is that any of the Egyptian proposals would require changes in U.S. law or an act of Congress.

More important, perhaps, is the fear of U.S. administration officials that some 18 other countries with similar debt problems would request the same treatment, and this would impose an undue burden on the U.S. budget. Nevertheless, they have demonstrated an awareness of Egypt's problem over its military debt, and have promised to investigate various solutions.

At one point, the Americans suggested that they help by arranging for a number of commercial banks to make new loans to Egypt at lower interest rates. One U.S. commercial bank actually offered Egypt loans of up to \$1.5b. at 7 per cent interest.

But the bank offer was made on a condition that the U.S. authorities be unwilling to accept: that the U.S. government guarantee the new loans. The U.S. Finance Department refused to make such a guarantee, fearing that other countries would request similar treatment.

And so Egypt's finance officials have to start examining their country's whole debt problem from the beginning again.

The Middle East page is edited by Yehuda Litani

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Weak market fails to dampen Steel City's expansion drive

By DAVID RUDGE
Jerusalem Post Reporter

ACRE. — Koor Industries Ltd. is going ahead with a \$10 million technological revolution of its United Steel Mills Ltd. complex near here, despite the continuing international recession in the steel industry.

The aim is to improve the quality and range of products, especially for industrial use in an effort to offset the drop in orders caused by the slump in the building trade.

The first step, the installation of fully automated and computer-controlled furnaces at a cost of \$3.5m, in the smelting plant, has already been completed.

General Manager Uri Baraton says the furnaces have been successfully run in and work had started on adding a modernized production line, which will cost a further \$1.5m. The combined units will boost production capacity of the smelting plant from its present level of 100,000 tons a year to nearly 240,000 tons.

A similar modernization programme is scheduled for the adjoining rolling mills to ensure that the steel billets produced by the smelting works can be manufactured into products which are in demand.

Baraton's philosophy is based on one principle — stagnation in industry means death.

"In order to survive we have to invest in new technology that will enable us to move into new markets if the traditional ones are drying up," he says.

In the past, output from the Acre complex, popularly known as Steel City, was geared to the construction industry. These types of products comprise reinforced bars and wire rods, used mainly in reinforced concrete for the building trade, and finer wire rods for the manufacture of industrial products such as bolts, nails, springs and steel nets.

Baraton says the introduction of



A \$10 million programme aims to more than double output while thoroughly modernizing production.

the new technology will enable them to increase their output of products for industrial use to 20 per cent of overall production by next year. "This trend will continue and, in the future, with the completion of the modernization programme we will be able to improve the quality and range of products for industrial use," he says.

The \$10m. investment programme is a bold step considering the lack of demand for steel products in the home as well as international markets.

Only last year the mills at the giant Acre complex were standing idle for an average of 10 days a month and there were threats of dismissals due to lack of orders.

The firm's problems were exacerbated by the Ministry of Defence. The government had begun to encourage the local production of aeronautical instrumentation after the French imposed an embargo in the wake of the Six Day War. Today TAT produces hundreds of aeronautical components and is a participant in the Lavi fighter project.

Although it moved into the red last year, TAT did increase sales by 226 per cent from the previous fiscal year, with nearly 70 per cent of the total exports. Part of the increase was due to sales generated by a subsidiary company, Galagraph, formerly Galaxy Graphics Ltd., which was set up to market graphically displayed computer instrumentation readouts in the U.S., Western Europe and the Far East.

This company managed to generate sales of \$1.65m., most of which is for export, in a nine-month period.

Several factors indicate a promising future: TAT has orders for \$31m., 75 per cent of which are for export. Galagraph is in the process of raising some \$4m. abroad. TAT recently completed building the infrastructure for producing sophisticated avionics for export to the U.S. and is expanding its production facilities significantly.

One disturbing figure, however, is the amount spent for research and development during the previous fiscal year: 2 per cent of the total sales. This figure appears to be somewhat low for a high-technology company, especially considering the 2 per cent figure is the gross expenditure for research and development. Of the NIS 370,453 spent on R & D, nearly one-third was contributed by binational research and development funds provided by the U.S. and Israeli governments. A similar sum was written off Israeli income taxes as R & D depreciation expenses.

The difference between TAT's performance in the current fiscal year and its performance last year is most likely a result of its increased investment in affiliates, such as Galagraph and Challenger Industries Ltd.

Prospects good for TAT despite loss

By AMIRAZ

Special To The Jerusalem Post

TAT Industries Ltd. showed a loss of NIS 461,733 after adjusting for inflation, in the 1985/86 fiscal year, compared with an inflated-adjusted profit of NIS 231,029 the year before. Unfortunately, TAT's annual report fails to account for the loss, leaving the investor to draw his own conclusions. But there are some indications the company has better prospects ahead.

TAT was founded in the late 1960s, with the encouragement of the Ministry of Defence. The government had begun to encourage the local production of aeronautical instrumentation after the French imposed an embargo in the wake of the Six Day War. Today TAT produces hundreds of aeronautical components and is a participant in the Lavi fighter project.

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THE TAX BURDEN/Jeff Broide

Closing down the store

Insolvency proceedings are invariably instituted against companies who have been trading at a loss for some time and have accumulated losses for tax purposes. The appointment by the court of an efficient receiver may allow the company to recover, in which case it may ultimately find itself again subject to regular taxation. But companies under voluntary or compulsory liquidation have wholly unique tax matters to contend with.

Section 93 of the income tax law stipulates that capital gains on the sale of assets belonging to a company undergoing liquidation are liable to tax. If the sale was effected by way of a transfer of assets to any of the shareholders, the consideration is determined by the value of the assets on the date of transfer. Shares or other rights in the company owned by a shareholder are construed as having been realized.

The cancellation of their shares by shareholders is considered a sale and any amounts received by them are treated as payments for their shares.

The capital gains calculation in respect to shareholders is made after the distribution of all the assets. If the assets have not been completely distributed and two years have elapsed since bankruptcy proceedings began, the assets are then deemed to be distributed unless the tax commissioner approves an extension of the period.

Section 93 also provides for a tax credit to be given to the shareholder (against any tax liability arising from the four subsections above), calculated as a proportion of the company's tax liability arising from the sale of assets during winding-up proceedings. The proportion is based on the value of assets received by such shareholder compared with the value of all such assets distributed to shareholders, but the amount of the credit cannot exceed the shareholder's liability to capital gains tax coming as a result of the liquidation.

The company itself is liable to capital gains and value-added taxes on the sale or transfer of assets to the shareholders. If the company is a property firm (as defined in the Land Appreciation Tax Law), real estate transferred to the shareholders, without payment, in the same proportion to their holdings in the company is

exempt from the capital gains tax. On the other hand, profits from the sale of inventory are taxable in the ordinary way and not as capital gains.

It should be noted that if a debt is incurred on expenditures deductible for income tax purposes and a release is subsequently obtained from that debt, the taxpayer is liable for tax on such debt in the same tax year the debt is cancelled. The same provisions govern the release of part of a debt.

The cancellation of their shares by shareholders is considered a sale, and any amounts received or assets transferred to them are treated as payment for their shares. The capital gain or loss will be calculated accordingly.

The provisions of section 93 apply only once bankruptcy proceedings have begun, thus timing is of the utmost significance in tax-planning for insolvent business. In particular it should be stressed that the proportional tax credit for shareholders will not be granted on sales executed before beginning of insolvency proceedings. It is also important to compare marginal tax rates of the company and shareholders before deciding when and how to allocate the assets of the company under liquidation.

Finally, the capital gains calculation is generally made after all the assets have been distributed; here once again the timing factor may afford considerable tax saving possibilities.

Some other important tax considerations:

- If an insolvent company is unable to pay income tax for which it is liable, the tax authorities may collect the debt from any person in possession of an asset received from the company.

- If the tax commissioner has allowed taxable income to be spread over a certain period and winding-up proceedings are commenced within such period, then the balance of the taxable income, allocated to subsequent years will be added to that for the year in which the proceedings were initiated.

- As to the New Inflationary Tax Law, all calculations must be adjusted according to the period up to insolvency proceedings. Any dividend distribution constitutes a reduction of owners' equity. The balance of the deduction for protection of capital or the capital accretion will be divided among the shareholders in the same proportion as their rights to assets on liquidation.

The writer is a certified public accountant. Questions may be addressed to him c/o The Jerusalem Post.

Top Labour Ministry official says:

'Women must change self-image'

By LEA LEVAVI

Jerusalem Post Reporter

The main reason women have not achieved equality in the world of work is that they don't see their jobs as careers, says Yvette Sa'adon, director of the department for employment and status of women in the Ministry of Labour and Social Affairs.

"I always tell secretaries to think not about themselves but about the boss who needs them," she said. "If they see the job just as a way to get out of the house and to earn a little extra money, they won't get anywhere. The worker who takes her

job seriously and is dedicated to it cannot help but be noticed by management."

At a visit to a manufacturing plant recently, Sa'adon recalls, "management was more than willing to train women as forewomen, but it was hard to convince the women to try."

The equal opportunities in employment law doesn't have sufficient teeth, she admitted, promising that a stronger law would be introduced in the current Knesset soon.

Even with effective laws, it remains difficult to prove discrimination. A first step, Sa'adon said, was

for women who believe they have been discriminated against by employers to complain. Radio spots and a television public service announcement, are now being prepared to encourage women to do so, she added.

As for complaints about insufficient services for working women, she said her department is doing the maximum possible to provide day nurseries and after-school services for young children. "If there had been a woman among the decision-makers, the long school day would have never been abolished," she said.

Computer down again on 'big bang's' second day

LONDON (Reuters). — London's new computerized stock exchange, hit by a technical hitch on its first day Monday, broke down again yesterday, forcing market makers to resort to the old-fashioned telephone to clinch deals.

On the second day of trading after the "big bang" — a series of reforms to deregulate the market — the exchange's computerized dealing system broke down for 34 minutes. It had again been overloaded by requests to see pages of price information.

Exchange officials dismissed the hour-long breakdown Monday as a first-day freak, unlikely to be repeated because they had introduced safeguards. They blamed yesterday's failure on the information system again, not the computer dealing system as a whole.

But dealers said that the system had not yet been properly tested because trading had been quiet. Several added that, even before yesterday's second break-down, some traders were using the telephone to make major deals.

Under the new system, market makers are supposed to key offer prices for share transactions into their computers for all to see on the screens, but not all were doing so.

Shares closed lower, drifting from a mixed start as buying interest caused by "big bang" dealing practices began to subside. The Financial Times 100 index was down 6.6 to 1,579.6 at finish, after briefly touching 1,588.2.

Already low, Japanese taxes may be cut more

TOKYO (Reuters). — The Japanese wage earner, already the highest paid and least taxed in the world, stand to be even better off if parliament can agree on major tax changes presented to the government yesterday.

The proposals, formally submitted to Prime Minister Yasuhiro Nakasone by the powerful Tax Council, call for the biggest shake-up of Japan's tax system in more than 35 years.

In accepting the council's report, Nakasone said the government must remove the distortions in the current tax system and regain the trust of the people.

If the proposals are adopted, the average Japanese making some \$25,000 annually could find himself with up to \$945 more in his pocket next year. High-wage earners will do even better, as the council wants the top income tax rate slashed from 88 to 65 per cent.

In all, the council is calling for a huge \$16.9 billion cut in income taxes in the fiscal year beginning next April.

Unlike in the U.S. tax reform law, big business also stands to benefit from the proposals, to the tune of \$11.3b. The council advocated a cut in the average corporate tax rate to under 50 per cent, from nearly 53 per cent now.

The catch is that the overall tax reform is designed to be "revenue neutral" — which means that the proposed income and company tax cuts must be paid for with other taxes.

To do that, the council called for the introduction of a value-added tax on sales of goods along the lines of that already in use in many European countries. This would replace the



Yasuhiro Nakasone (APF)

present patchwork system of taxes on selected commodities like sugar.

The council also advocated the elimination of tax breaks for small savers, except for the elderly and fatherless families. Currently, interest on bank deposits, postal savings and government bond holdings of up to three million yen are all free of tax.

But analysts said these proposals are bound to run into stiff political opposition, throwing doubt on whether the tax reform package can emerge unscathed from parliamentary deliberations next year.

Following their formal presentation to Nakasone yesterday, the council's recommendations next go to the ruling Liberal Democratic Party for consideration. The savings lobby is particularly powerful within the LDP and is sure to argue forcefully against the council's proposals in that area, analysts said.

WORLD BUSINESS IN BRIEF

Study forecasts payments balance woes for Britain

LONDON (Reuters). — The British employers' association, the Confederation of British Industry (CBI), yesterday predicted mounting balance-of-payments problems next year, when Prime Minister Margaret Thatcher is expected to call new elections.

The CBI's latest quarterly industrial trends survey forecast a 1987 current account deficit of \$2.4 billion and a growing trade deficit. It said the fall in oil prices was a contributing factor, but the main cause in the deteriorating trade picture was a worsening performance in manufactured goods.

Since the third quarter of last year Britain's trade surplus in oil had

fallen by two-thirds to about \$282 million a month, but the non-oil trade deficit had widened by 50 per cent to \$1.7b.

AN OPEC QUOTA SYSTEM has been tentatively worked out that would increase the shares of Saudi Arabia, Kuwait, the United Arab Emirates and Qatar, the Kuwait news agency reported yesterday.

The state-run agency, quoting an unidentified "banking" Gulf oil official, said the proposal also calls for cutting the output quotas of most of the other 13 members in the Organization of Petroleum Exporting Countries.

The proposal, worked out by cartel technicians, will be submitted to the Opec ministers when they meet in Geneva on December 11, according to the Kuwait report.

SOUTH KOREA'S FOREIGN DEBT is being cut sharply. President Chun Doo Hwan confirmed yesterday, saying the move followed increasingly optimistic forecasts by economists for the country's 1986 current account surplus.

This will be a significant year when our foreign debt will fall for the first time in our economic history," Chun told a meeting called to promote domestic savings.

Officials of the government's Economic Planning Board said the outstanding debt was expected to fall below \$46 billion by the end of 1986. It stood at \$46.8b. last December and hit a high of \$47.4b. in July.

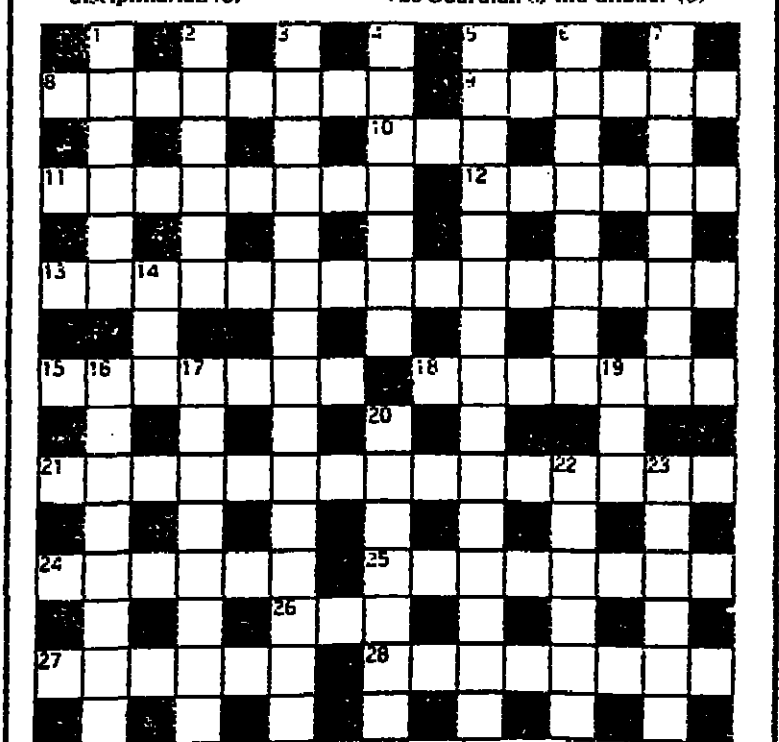
GERMANY'S COST OF LIVING provisionally fell 0.3 per cent in October from September, to stand 0.9 per cent below its level a year earlier, the Federal Statistics Office said.

In September the cost-of-living index rose 0.2 per cent from August but fell 0.4 per cent from September 1985.

The year-on-year decline in October was the largest since consumer prices began falling in West Germany last April. West Germany's "negative inflation" is chiefly the result of sharp declines in the price of oil and in the value of the dollar since the beginning of the year.

ONE-ON-ONE CROSSWORD

- ACROSS
- 8 No longer the ironmonger's prerogative in a computer age (8)
 - 9 Alternative to Mr Ronay in North America (6)
 - 10 Suitable around one small foot (3)
 - 11 Assembly site not shaken after attack (8)
 - 12 Put back the old wine first sport (6)
 - 13 One relatively sure to succeed (4,11)
 - 15 Initially brandy with water goes to the head (7)
 - 18 Directors all at sea? (2,5)
 - 21 Why we continue to sing "Auld Lang Syne" on occasions? (5,3,3,4)
 - 24 Used a comb in an irritating way (6)
 - 25 Lachonic message from an exhausted sniper? (8)
 - 26 A short period in the Lowlands (5)
 - 27 Tractable growth put in (6)
 - 28 Flier, French and strict disciplinarian (8)
- DOWN
- 1 Piece 18 moving in a straight line (6)
 - 2 One captivated by a French illustrator right at the end (6)
 - 3 Party worker seeking office ... (6,9)
 - 4 ... quit to precede first sinister politician (7)
 - 5 Accustomed from birth to eat delicious food, we hear (2,3,6,4)
 - 6 Romeo's friend ruling out crime (8)
 - 7 Besides, the remainder is greater than expected (6)
 - 14 Hostelry has cheerless innovation (5)
 - 16 Most important being on top of the world (5,3)
 - 17 Sad and moody about the final judgement (8)
 - 19 A bit of a lark on the wing (5)
 - 20 Wins over a serviceman in a Norfolk market town (7)
 - 22 Little bird, one covered by second skin (6)
 - 23 Guardian of the Citadel? (6)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Allison, 10 Yeshayahu, 222553; Belsam, Salah Eddin, 272518; Shu'fat, Shu'fat Road, 810106; Dar Aldawa, Herod's Gate, 282058. Tel Aviv: Ahva, 166 Dazengoff, 224717; Kupat Holim Leumi, 4 Heftman, 257221; Netanya: Truf, 2 Herzl, 26656; Haifa: Hanassi, 33 Sderot Hanassi, 333312.

DUTY HOSPITALS

Jerusalem: Shaare Zedek (pediatrics), Hadassah Ein Kerem (internal, surgery, ophthalmology), Hadassah, Scopus (laboratory, orthopedics), Bikur Holim (ENT). Tel Aviv: Rokeh (pediatrics), Ichiv (internal, surgery). Netanya: Laniado.

POLICE 100

Dial 100 in most parts of the country. In Tel Aviv dial 24444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem 523133
Ashdod 23333 Kiryat Shmona 44334
Bat Yam 551111 Netanya 922333
Be'er Sheva 74767 Netanya 22333
Carmel 968555 Petah Tikva 923111
Dan Region 78111 Rehovot 451333
Elor 7233 Rishon LeZion 942333
Hadera 22333 Safed 30333
Haifa 512233 Tel Aviv 240111
Holon 803133 Tiberias 50111
Mobile Intensive Care Unit (MICU) service in the area, around the clock.
"Ezer" — Emotional First Aid, Tel: Jerusalem 227177, Tel Aviv 2611112, Haifa 67222, Be'er Sheva 41811, Netanya 35316.
Rape Crisis Centre (24 hours), for help call Tel Aviv 234819, Jerusalem — 245554, and Haifa 85791.
Jerusalem Institute for Drug Problems, Tel: 663828, 663802, 14 Bethlehem Rd.
The National Poison Control Centre at Rambam Hospital, phone 04/523205, for emergency calls, 24 hours a day, for information in case of poisoning.
Rupat Holim Information Centre, Tel: 03-43300, 43300 Sunday, Monday, 9 a.m. to 9 p.m. Friday 8 a.m. to 3 p.m.

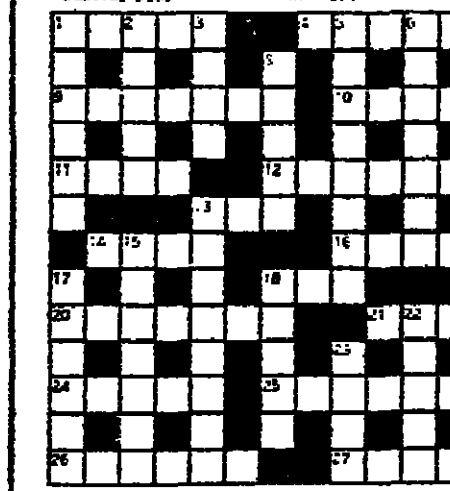
FLIGHTS

24-Hours Flight Information Service: Call 03-9712484 (multi-line). Arrivals Only (Telex Message) 03-381111 (20 lines).

QUICK CROSSWORD

ACROSS

- 1 Zoids bear
- 2 Old-time dance
- 3 Angry
- 4 Neat



- DOWN
- 1 Inauspicious
 - 2 Lark
 - 3 Location
 - 4 Relation (anagram)
 - 5 Picture uncultured
 - 6 Afternoon nap
 - 7 Bloodsucker
 - 8 Star-shaped mark
 - 9 Building
 - 10 Splash with paint
 - 11 Work force
 - 12 Grade
 - 13 Amusing
 - 14 Trudgen way

Yesterday's Solution

PAPER MONEY
ARCHIVE
E O B E M O O P L A
R H M A M Y
A B A S M A S R A I N B O W
R I S T A K A O O
M A R K E P P A I R E
H H K E V I N R L
A N O T H E R D E R I D E O
K S S W P S
I N T E R A D I S
M H R O U L L E T T A S
B A S E B L A M I T
C S M A C K L U S T E R

ACROSS: 1 Greens, 4 Leaves, 7 Detachable, 9 Beer, 10 Snow, 11 Scent, 13 Needle, 14 Tatoued, 15 Compel, 17 Stupid, 19 Piece, 20 Pipe, 22 Agra, 23 Exemplary, 24 Grains, 25 Summer, DOWN: 1 Gibbon, 2 Ewer, 3 Scarce, 4 Latent, 5 Acts, 6 Showed, 7 Determine, 8 Etymology, 11 Sleep, 12 Taste, 15 Coping, 16 Litmus, 17 Scales, 18 Dealer, 21 East, 22 Arum.

PUZZLED BY 15 ACROSS?

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MARKET PLAGE

PINHAS LANDAU

Ghosts of scandals past

The latest corporate scandal at Dubek and the collapse of the Prize canned-food firm show once again that the old ghosts are not dead, either in the Tel Aviv Stock Exchange or in Israeli business generally.

Take Dubek first. There are two separate issues here, one concerning the fate of that firm and its management, and one with respect to what went on in this country's business life in the years when inflation went berserk. The former will presumably be sorted out in court, but if we assume that the press reports to date have been on the right track, then what we have is a major and well-respected public company engaged in systematic distortion of its import accounting so that it could defraud the customs, the income tax and, ultimately, its own shareholders — but not its management. If — and it's worth stressing that it's early to judge the issue — Dubek did cook its books and smuggle abroad \$15 million-25m., as has been reported, then not only its managing-director Zorach Gehl will have a lot of answering to do, heart attack or no, but so will plenty of other people.

The firm's accountants, for instance, will have to explain how they failed to catch what was going on (incompetence) or if they did know, why they didn't blow the whistle on the shenanigans (collusion). This is almost exactly the same issue as was raised by the Bejals report with regard to the banks' accountants, although here the alleged crimes are more gross, by far, but not necessarily more severe.

Then there will, eventually, be the question of the regulators. Dubek is a cigarette firm, not a financial institution, but in Israel that makes little difference. Because the firm is a monopoly, it is regulated. Anyone who has ever read a Dubek annual financial statement knows that the company's profit or loss is determined almost exclusively by how much and how often the Ministry of Industry and Trade allows it to raise its prices and how long it can hang onto the taxes it collects on behalf of the government from the smoking public. In other words, the Finance and Industry ministries control Dubek at least as much as the Treasury and the Bank of Israel control the banks. Where then were the regulators when their supposedly tame charge was allegedly indulging in outrageous banky-panky under their noses? And doesn't that raise some embarrassing questions about the effectiveness of government control of monopoly industries?

As for the minority shareholders, it has been reported that they are organizing their own suits against the existing management. That could make that aspect the most interesting of the entire affair and could set major precedents in the manner in which it is pursued.

But whether the reported facts are accurate or wildly wrong, the eventual trial that must surely come will shed light on a key contention that has hitherto been accepted as true by most analysts, without definitive proof being offered. That is that in the years leading up to July 1985, companies indulged in wide-ranging maneuvers to ensure that money would be hidden from the authorities and kept, or transferred, abroad. In plain language, this means that we always believed many firms, both large and small, were cheating the tax authorities and smuggling money overseas, but no one could ever prove it, for obvious reasons. It was all hearsay, or at best deep background. Now we are going to find out the truth. The revelations about how it was done and how it was tied in with the general black market in foreign currency, could make even past financial scandals look insipid. It will certainly overshadow the artificial halabaloos surrounding the alleged straw companies operated by the banks.

Even in this most lurid scenario, however, the Prize collapse has the ability to draw and hold one's attention. If ever there was a share that could demonstrate single-handedly all the woes of the Yase in the last four years, this was it. Its initial public offering came in November 1982, at the top of the boom; its owners were, first Rieger-Feldman and Mickey Albin, then the kibbutzim and finally, although illegally since they effectively stole the kibbutzim's shares, Blich and Salant of FIT. In the days before it went belly-up, Prize saw its second-class share soar in value by 65 per cent and exceed the price of its first-class share. Yet by the time the questions were asked, it was too late. Once again, the banks have had debts to write off, which their clients and the taxpayer will finance, and the exchange management, the Securities Authority, the underwriters, the accountants and almost everyone connected with the company ought to explain what they thought they were doing. It is not advisable, however, to hold your breath waiting for the answers.

Mapam chief to Greece

ATHENS (ITA). — Elazar Granot, secretary-general of the Mapam party, will pay an official visit to Greece from November 9-11 at the invitation of Foreign Minister Karolos Papoulias.

Gehl alleged to smuggle currency abroad

Dubek chief held on fraud

TEL AVIV (Itim). — Zorach Gehl, general manager of Dubek Ltd., was remanded for nine days by a Tel Aviv Magistrate's Court on suspicion of smuggling a reported \$15 million in currency abroad and violating income-tax laws.

Judge Binyamin Koblelet allowed Gehl to be placed in Assuta Hospital under police guard, instead of in the lockup, after being told the suspect suffers from a heart condition and other medical complications.

Gehl, who has held the top position in Israel's tobacco monopoly for 11 years, was arrested on Sunday by the police's national fraud squad. He

was originally scheduled to be remanded early yesterday morning, but the hearing was delayed until the afternoon at Gehl's lawyer's request.

There were further delays in the formal hearings, as investigators showed Koblelet in a private session secret evidence they had gathered.

Investigators told the court that Gehl, who was responsible for Dubek's purchases of tobacco and raw materials abroad, allegedly gave the Bank of Israel inflated prices for the purchases. The central bank would then approve the needed transfer of foreign currency abroad, and Gehl would pocket the differ-

ence between that and the actual price Dubek was paying, investors alleged.

The transactions were never accurately recorded in the company's books or in records it presented to the authorities, the court was told.

Investigators, who included officials from the police and Income Tax Authority, claimed that Gehl had been operating the scheme on a systematic basis over many years at a cost to the state and Dubek of millions of dollars. However, they did not provide an exact figure for the amounts alleged to be involved.

BUSINESS BRIEFS

Tax break for night-shift workers extended

Post Economic Reporter
The Treasury yesterday got the approval of the Knesset Finance Committee to extend the 15 per cent income tax exemption for workers in night shifts until the end of the fiscal year.

Eyebrows were raised at the Treasury's request, since it was in clear contradiction of the ministry's repeated declarations about the need to reform the tax system by lowering rates and scrapping exemptions.

Some of the committee members proposed to the Treasury representative, State Revenue Commissioner Yisrael Baron, that the exemption be extended only until the end of 1986. They noted that the coming tax year begins on January 1, and there was little point in leaving the partial tax benefit in force when a reform was imminent.

The country's various tax years are due to be unified and made coincident with the calendar year, starting in 1987.

But Baron insisted the exemption for night-shift workers should be continued until the end of the current fiscal year, which is March 31.

TWO MORTGAGE SUBSIDIARIES

First International Bank reported far stronger results in the first nine months of the year compared with the same period in 1985, largely because their parent company redistributed the tax burden with the group away from the mortgage banks.

First International's Merav Mortgage and Savings Bank swung from a net loss of NIS 700,000 in January-September 1985 to a NIS 1.6m. profit in the first nine months of this year. Independence Bank, meanwhile, quadrupled its nine-month profit to NIS 600,000.

INDUSTRIAL TIES WITH EGYPT

were discussed yesterday by Manufacturers Association President Dov Lautman and Egypt's ambassador to Israel Mohammed Bassiouny.

Bassiouny said Cairo had decided to allow Israeli companies to participate as sub-contractors in the auto assembly plant General Motors Opel division plans to build in Egypt. He noted, however, that companies from many other countries would be allowed to join the project and the actual framework for cooperation had yet to be determined.

The ambassador added that in general his government was open to the idea of cooperation between Egyptian and Israeli companies in the private sector and that Cairo was not trying to limit bilateral trade.

SHAMIR

(Continued from Page One)

without the knowledge of President Assad." The Middle East Policy Survey, a Washington newsletter, quoted a State Department analyst as saying that Assad was especially sensitive to any comparisons to Libyan leader Muammar Gaddafi. "Assad can't stand the comparison," the analyst said. "His goal is to be viewed as a regional strongman, not a kook."

Shamir insisted that any differences within the national unity government will not prevent Israel from continuing the peace process.

He said that he and Foreign Minister Shimon Peres shared the same basic aim — "direct negotiations."

RAPIST

(Continued from Page One)

what he told the police last night.

He then paid the driver NIS 20 that he had kept hidden, and asked him to go to the other side of the lock-up, where his wife and brothers were waiting to be let in for a visit.

His wife joined him and they drove to a relative's house in Holon, who refused to let him in. He dropped his wife off in Holon and continued to Yad Eliahu where he hid during the night.

Early in the morning he came to a friend's flat on Derech Hashalom, and broke in after he saw that the man had left for work.

Katz was apprehended while lying on the couch watching television. "He was quite shocked to see us there," said the officer who took part in the operation.

Katz had changed his clothes, cut his long curly hair, and was unshaven.

The police are questioning his wife about the escape and are looking for the taxi driver who drove him away from Abu Kabir. (The newspaper — Page 4)

Petroleum prices are back in decline once more

Oil prices are drifting down only a week after Opec agreed to renew controls on cartel members' production with the goal of sending energy costs higher in the coming northern winter.

Saudi Arabia, biggest of the 13 members of the Organization of Petroleum Exporting Countries, yesterday denied a report by New York industry sources that it was offering a discount. But Mexico, not an Opec member, shaved some prices.

European traders yesterday discussed oil from Britain's North Sea Brent field between \$13.20 and \$13.35 a barrel for November delivery.

On Monday, oil futures plunged on the New York Mercantile Exchange, which analysts said was due to a lack of buying interest. "The market kept looking for buyers, but it hasn't found any," said John Hill of Merrill Lynch Commodities. "It looks like we're setting ourselves up to test the trading range of about \$14."

West Texas Intermediate Crude, the U.S. benchmark, settled 61 cents to 70 cents lower in the various monthly deliveries, with the December contract at \$14.41 a barrel.

Brent, a widely-traded oil and price barometer, was around \$14.50 a week ago when Opec ministers agreed in Geneva to continue to curb output in the persistent world glut.

They fixed a ceiling of 17 million barrels daily on total Opec volume and a goal of a price around \$18 by year-end.

Traders called that ambitious, citing substantial stocks of refined products available to the oil industry.

And the market was especially uneasy yesterday after New York sources had Mexico and Saudi Arabia adjusting prices to bring them lower by about 50 cents on some crude oil sold in North America and Europe.

A Saudi official source, however, said the kingdom would not offer discounts under any circumstances.

Japanese industry sources meanwhile said Saudi Arabia and Kuwait were increasing sales to contract buyers in the Far East, with the result that prices for oil sold in the free market there by Dubai fell \$2 in the past 10 days.

The rise in Saudi sales in the Far East, however, is partly offset by a decline in volume from Iraq because of work on a pipeline carrying its oil to the Saudi port of Yanbu.

A leading Opec minister yesterday conceded that the cartel may have been too ambitious in its pricing target.

"We hoped that prices would reach an average of \$17 to \$19," the United Arab Emirates minister, Mana Said Al-Oteiba, told Al Itihad newspaper in Abu Dhabi.

Yarden wine wins praise from 'Times'

By HAIM SHAPIRO
Jerusalem Post Reporter

Golan Wineries yesterday reported continuing praise for the Yarden Sauvignon Blanc, this time from a wine critic in *The New York Times*.

The critic, Frank Prial, noted that previously, recommendations for Israeli wines were "mostly of a sentimental nature," but he adds that with Yarden this is no longer necessary. He goes on to call the white wine, made from grapes grown in the volcanic soil of the Golan heights, "a world class wine."

In New York, the wine sells for about \$9 a bottle, but in Israel it might well be difficult to obtain this year.

Shimshon Weiner, manager of the winery, told *The Jerusalem Post*, "I am happy to tell you we did it again, but unhappy that we have finished the wine."

Cairo unlikely to reach pact with IMF soon

CAIRO (Reuters). — Egypt's talks with the International Monetary Fund (IMF) on a standby credit of one billion dollars are unlikely to produce an agreement before next year, a government-controlled weekly said Monday.

Quoting an unnamed senior economic official, *Al-Ahram* *Itisadi* said differences on a time frame for implementing economic reforms were behind the delay.

Egypt, whose population of 51 million is forecast to increase by 1.2 million each year, needs the credit to service foreign debts said by the IMF to total \$38.6b.

A recent IMF report said Egypt's debt-servicing obligations totalled \$5.5b in the fiscal year ended June 30 and it was \$1.7b in arrears on debt repayments the previous year.

Al-Ahram *Itisadi* said Egypt wanted half of the billion-dollar credit for the fiscal year 1987-88 and the rest during the following year. Egypt was also seeking \$4b. in loans from the World Bank over five years starting from the fiscal year beginning next July, it added.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:		
General Share Index	118.45	-0.05%
Non-Bank Index	153.42	-0.05%
Arrangement	123.85	+0.04%
Insurance	176.62	-0.54%
Commerce, Services	198.13	+0.65%
Real Estate	184.91	+0.10%
Industrials	138.45	-0.10%
Textiles	157.67	-0.15%
Metals	143.82	-0.40%
Electronics	96.17	+0.46%
Chemicals	132.57	-0.23%
Industrial Invest.	131.89	-0.14%
Investment Cos.	145.21	-0.32%
General Bond Index	112.38	+0.00%
Index-linked Bonds	114.35	-0.02%
Fully-linked	116.13	-0.04%
Partially-linked	113.43	+0.00%
Dollar-linked Bonds	93.70	+0.16%
Short-term 0-1 yrs	111.01	+0.00%
Medium-term 2-5 yrs	111.83	+0.06%
Long-term 5+ yrs	108.27	-0.03%

Turnovers:		
Share - Total	NIS 9,546,500	
Arrangement	NIS 1,881,800	
Non-Bank	NIS 9,364,900	
Bonds - Total	NIS 5,158,500	
Index-linked	NIS 3,618,900	
Dollar-linked	NIS 1,539,600	
Treasury Bills	NIS 12,451,600	
Share Movements:		
Advances	136	(100)
of which 5%+	19	(14)
"buyers only"	1	(2)
Declines	131	(180)
of which 5%+	31	(28)
"sellers only"	8	(5)
Unchanged	121	(98)
Trading Halt	33	(41)
Bond Market Trends:		
Index-linked:		
3% fully-linked		Falls to 1%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%
Commercial Banks			
(not part of "arrangement")			
Martinez	1182	2503	
General non-art.	2280	11	+4.5
First Int'l	3502	3386	-1.0
FBI	4180	3254	-0.5
Commercial Banks (part of "arrangement")			
Leumi	7882	209	-
Bank Leumi	57000	82	-0.1
Discount	100600	137	+0.0
Mizrah	32480	1053	-
Mizrahim	33720	886	-0.1
General	137020	11	+0.2
Leumi B	34185	1580	-0.0
Fin. Trade	45230	-	-
Mortgage Banks			
Leumi Mort. r	5030	165	+1.4
Dev. Mort.	2162	1000	-
Mizrah Mort.	2210	401	-5.1
Tefahot	14000	1	-
Merav	5900	387	-1.7
Financial Institutions			
Agri. Co.	89000	18	-
Ind. Co. DD	70173	-	-
Clal Leasing 0.1	17470	43	-0.2
Insurance			
Ararat 0.1 r	1158	374	+4.6
Hebrew	317	35058	-
Phoenix 0.1	780	3830	-3.1
Hamishmar	7020	15	-0.7
Menorah	2041	288	-2.8
Seaher	8678	78	-0.0
Zion Hold. 1	8350	10	-
Trade & Services			
Meir Ezra	8050	289	+1.3
Supersol 2	3198	1525	+2.4
Delek r	3198	1525	-0.1
Lightage	14770	59	+0.5
Cold Storage	2248	324	+4.1
Had Hotels	1820	207	+1.1
Yarden Hotel	2502	123	-0.3
Hilton 1	24020	25	-
Team 1	1695	150	-0.9
Real Estate, Building and Agriculture			
Azorn	769	7862	-1.3
Elion	510	18961	-2.7
Adara Inc. 0.1	36172	34	-0.8
Dankner	47425	126	+1.0
Prop. & Bldg.	2730	1187	-1.1
Bayside 0.1	41501	38	+3.7
ILDC r	54000	78	-0.4
Rosner	7780	125	+1.8
Mahdarin	1245	230	+1.2
Industrials			
Dubek b	3640	710	-0.4
Pr-Zet 1	9700	50	-
Sunroft	17000	220	-1.4
Elite	619	14280	-
Adgar	13464	-	+2.0
Argaman r	2820	320	-
Dalia G 1	4582	1037	+15.0
Mizrahi 1	13645	21	+0.0
Polgat	3520	648	-0.8
Schoeller	14130	43	+0.2
Rosner	3200	448	-1.5
Urdan 0.1 r	7450	333	-
La. Can. Co. 1	2374	984	+1.1
Zion Cables	2300	127	-
Packer Steel	9894	287	-9.4
Eilat	365000	12	-

Elron	284000	20	+0.7
Airt	29750	194	-0.6
Clal Electronics	2000	1317	+1.0
Spectronic 1	1788	368	-1.7
T.A.T. 1	3520	658	+10.0
Advestra 1	922	3610	-
Agan 5	17700	121	-
Alliance	3380	193	-8.1
Dexor	2680	171	-0.9
Fertilizer	5320	s.o.1	-5.0
Haifa Chem.	402	17178	-
Teva	7080	1521	-
Dead Sea r	4400	3118	-
Petrochem.	523	10889	-
Neca Chem.	5970	431	-
Frutaron	12788	48	-0.1
Hedera Paper	241000	62	+1.0
Central Trade	8000	80	-
Koor p	6100000	1	-1.6
Clal Ind.	1389	12389	-
Investment Companies			
IDB Dev. r	4110	2082	-
Elion	3340	1280	+2.5
AFK 1	240	1853	-
Gahelot	1380	100	+2.3
Israel Corp. 1	5100	301	+5.3
Wofcon 1	123000	1	-2.8
Hapoalim Inv.	5750	564	-1.4
Leumi Invest.	not trading	-	-
Discount Invest.	2360	5967	-1.7
Mizrahi Invest.	14100	39	-
Clal 10	834	4688	-1.8
Landeco 0.1	5325	39	-
Pama 0.1	9246	47	+1.5
Oil Exploration			
Paz Oil Expl.	16000	23	-
J.O.E.L.	2840	944	-
Abbreviations:			
s.o. sellers only			
b.o. buyers only			
r registered			

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Palsied partners

MARGARET THATCHER has good reason to be angry at her partners in the European Community.

Meeting in Luxembourg, the foreign and deputy foreign ministers of the EC states did rather more than simply decline Britain's appeal for a common stand against Syria — exposed in the Hindawi trial as an official hatchery of terrorism. They showed that the EC is a limp rag — incoherent and pusillanimous as a collective body.

The fact is that Britain did not request particularly drastic action. It did not ask its partners to sever diplomatic relations with Syria. Rather it requested that they recall their ambassadors in Damascus for consultations to prepare for a further EC meeting scheduled for November 10.

In addition, Britain's Foreign Secretary, Sir Geoffrey Howe, asked that the EC members intensify their surveillance of Syrian embassies and tighten security affecting Syria's airline — both shown in the Hindawi affair to have been used as instruments for terrorism — suspend arms sales to Syria and visits to Damascus by high-level officials.

Though the British Foreign Secretary presented the court evidence and intelligence data implicating Syria's top-level involvement in the Hindawi affair, the partners declined to take any action.

And in the official communiqué issued after the meeting, the EC states could not bring themselves to mention Syria by name when expressing "a common sense of outrage" that the "agencies of a state" should be involved in such an "appalling incident" as the attempted bombing of a jetliner.

That is as far as they would go.

French President Mitterrand, whose foreign minister was not present, said France would need more time to study the evidence. But his officials were more candid. France could not afford to take steps against Syria. It had economic ties to consider. It has seven French citizens held hostage in Lebanon whose release Syria could secure. And — said apparently without embarrassment — it is receiving Syrian intelligence cooperation to stem terrorism in France.

Germany found it convenient to hide behind the French apron, as did Italy and Spain.

The chief appeaser of Syrian sensibilities was, of course, Greece which firmly prevented any direct mention of Damascus in the communiqué. The Greek delegate had the temerity to argue that branding Syria for engaging in state-sponsored terrorism would mean "taking sides" in the Middle East. Perhaps he was referring to the Iraq-Iran war.

Presumably, Mrs. Thatcher will not be so easily deterred. She has already let it be known that Britain will block any further EC aid to Syria. And she will press for a more muscular European response when the EC ministers meet again in a fortnight.

For the stark reality is that state-sponsored terrorism, as practised by Syria, Libya, Iran and others, can only be stemmed by the concerted counter-action of states. And since Europe is the principal arena of such terrorist enterprise, it is also the principal bearer of responsibility.

Moreover, it enjoys the full support of the U.S. in targeting the terror producers.

But so long as the Europeans are squeamish about such affinity with the U.S., and so long as they prefer to make their separate deals with terrorist states, at the expense of their own partners, the terrorist states will, by virtue of the threat of terror itself, continue to prowl and plunder the field.

EEC

(Continued from Page One)

does not flex its muscle now, it might have cause in due course to regret its action.

The Daily Star under an editorial headline, "The cowards of Europe," said that with friends like these in Europe, we don't need enemies. "It is described France as greedy, selfish and perfidious," adding, "but the coup de grace came from the Greeks who are almost as duplicitous and self-serving as the French."

Opposition Labour Party legislator Greville Janner, a leading member of Britain's Jewish Community, said the EEC reaction was "an invitation to terrorists."

"If you don't fight terrorists together, you will be blown up separately," said Janner.

The EEC said later yesterday that it would continue offering subsidies on farm exports to Syria.

AUSTRIA

(Continued from Page One)

tion where the conservative People's Party alone would be able to "wave the flag."

The People's Party sparked this new wave of self-assertion during the Waldheim campaign, when the World Jewish Congress and the foreign media attacked Austria. Since the Austrian voter reacted positively to this theme, the Socialists see no other way but to join this patriotic chorus.

Israel's decision to downgrade its representation in Austria was first raised by the chairman of the opposition People's Party, Alois Mock. He and other members of his party, supported by some conservative news media, have kept the topic alive.

The Socialists are trying to show their "patriotism" by reacting to the Israeli measure and rejecting foreign interference in the elections.

Post Diplomatic Correspondent adds:

Israeli sources said that the Austrian step was "not unexpected" and "is no tragedy." Israel is expected to comment officially tomorrow, upon receipt of official Austrian notification.

The sources said that the Austrian move was "probably dictated by electoral considerations." Austria holds general elections at the end of November.

The sources expect Vienna to keep its ambassador "withdrawn" until Israel decides what to do "one way or another."

Observers in Jerusalem thought it likely last night that Austria would leave a charge d'affaires in Tel Aviv until Israel replaces its charge with an ambassador. The observers thought it unlikely, however, that Prime Minister Shamir would agree to appoint an ambassador to Vienna so long as Waldheim held office. Such an ambassador would inevitably be invited to attend receptions hosted or attended by Waldheim, whereas a charge need not attend such receptions.

TREASURY

(Continued from Page One)

sponsible for approving or disapproving them.

According to ministry estimates, it would cost NIS 120 million a year to meet the nurses' demands of incentive payments and a shorter work week. The ministry would demand that any concessions to the nurses be paid by the Treasury.

Arbeli-Almoslino also voiced approval for standards to require a minimum number of nurses for each hospital ward and a committee to study the issue. If the standard re-

commended by the Handelsman Committee over a decade ago were to be adopted, the ministry said as many as 4,500 additional nursing jobs would be needed. The Treasury has proposed adding 1,500 jobs over three years.

Contrary to earlier reports, the Health Ministry has not authorized hospitals to hire private nurses. But the Friends Organization of Beilinson Hospital's oncology institute raised NIS 600,000 to hire private nurses to help cancer patients during the strikes.

Looking back at Operation Kadesh

Ben-Gurion's clash in Sinai with the Great Powers

Netanel Lorch

AMONG THE best known dicta of Ben-Gurion is the saying: "Never mind what the gentiles think; what matters is what the Jews do." Indeed, Ben-Gurion on several occasions struck that pose, in an attempt to inculcate self-reliance, self-confidence, and above all a sense of responsibility.

However, an analysis of Ben-Gurion's own decisions indicates that he was very much concerned with what certain gentiles, namely the Great Powers — said, particularly what they said they would do, or rather, what he perceived they might do under certain circumstances. These perceptions were based to an extent on the pronouncements of their leaders, but no less on Ben-Gurion's experience with the countries concerned.

No better instance of Ben-Gurion's preoccupation with the attitude of the Great Powers can be found than in the period extending from the summer of 1956 to the spring of 1957 — before, during and after Operation Kadesh (Sinai Campaign).

All four Great Powers took an active part during that period. In retrospect it is obvious that Britain's moment in the Middle East — to borrow Elizabeth Monroe's famous phrase — was drawing to an end. Indeed, the Suez Crisis hurried its demise. But this was by no means evident on the eve of Kadesh, not only to Ben-Gurion, but to a wide spectrum of world leaders, including the leaders of Britain and France.

BEN-GURION had personal experience in all four countries. He remembered Russia from the days of his youth, and from a visit shortly after the revolution. Like most of his generation, he admired the courage and determination of the Russian people during World War II. Ben-Gurion had warmly welcomed Soviet support during the critical days of 1947-48; however, he suspected that Russia's newfound love for Zionist aspirations was a matter of passing expediency.

The Doctor's Plot trials of 1953 with their blanket anti-Semitic overtones; the Prague trials; the Egyptian-Czech Arms deal concluded in the autumn of 1955, confirmed his suspicions. Bulganin's benevolent father figure gave him pause, and Khrushchev's brutal conduct coincided with his perception of the "Communist Nazis." Information — vastly exaggerated — of Soviet raiding Budapest to the ground, received in early November clinched the matter: from Russia, the worst was to be expected.

Ben-Gurion admired — and feared — the U.S. He had spent some time there during World War I, prior to enlisting in the Jewish Legion, and again during World War II — while preparing the Biltmore programme. He had great respect for General Eisenhower, not only as commander of the Allied forces in Europe, but also on account of his sympathy and help for Jewish Displaced Persons immediately after the war.

Obviously, Ben-Gurion was aware of the tremendous importance of U.S. diplomatic, economic and financial support for Israel, both on the governmental and non-governmental level.

Against this background he was particularly irked by the fact that Eisenhower's Republican Administration owed little to U.S. Jewry, which at the time was predominantly Democrat. Eisenhower was aloof and unaccessible, and had, notably in 1955, shown no understanding for, or willingness to help in Israel's dire need for arms, in the face of increasing Czech and continuing British arms supplies to Nasser. Ben-Gurion mistrusted the "devious"

John Foster Dulles, the secretary of state.

As a result of long association during the years of the Mandate, Ben-Gurion probably knew Britain better than any of the others. He had a great deal of respect, even awe, for Britain's military prowess, which developed over the years, from his service as a corporal in the British army's Jewish Legion towards the end of World War I, through his experience in London during the Battle of Britain, to the final clash with the British in Palestine prior to the end of the Mandate.

Ben-Gurion suspected Britain of harbouring hostile intentions towards Israel, willing at any time to sacrifice Israel's security to the overriding British interest in convincing the Arabs to continue their alliance with the British. At the time Iraq and Jordan still had mutual defence treaties with the UK.

He had little respect for Prime Minister Anthony Eden, whom he considered as hesitant, "not a man of action." Selwyn Lloyd, the foreign minister, he came to detest, particularly after their meeting at Sèvres, at which Lloyd treated Ben-Gurion as an "underling."

Paradoxically, Ben-Gurion was least familiar with the power which worked most closely with Israel — France. He had spent some time there, notably in 1946 after he had escaped from Palestine just prior to Black Saturday. He had known a previous generation of Socialist leaders, including Leon Blum and

'The swiftness of the victory over the dreaded Egyptians, with relatively few Israeli casualties, seemed like an hallucination and then as a miracle'

Rene Mayer, but he was not acquainted with the Socialists in power in 1956.

He had not attached a great deal of weight to France as a potential influential actor in the Middle East; however, his attitude had changed completely when, beginning in strict secrecy in 1955, the French became Israel's major, rather only, source of advanced weaponry: its tanks, even destroyers. Whatever his motivations, Bourges-Manoury, the French defence minister drew a parallel between the millions of French in Algeria and the millions of Jews in Palestine, both of whom were perceived to be at the mercy of the whims of Nasser.

Ben-Gurion came to consider the French as "partners," who were to be treated like "brothers" and let into Israel's innermost secrets, and whose every wish, including the use of ports and airfields, was to be fulfilled whenever possible.

When NASSER planned the nationalization of the Suez Canal, he considered the possibility of Anglo-French military intervention. He also contemplated the possibility of Israeli participation, but discarded it. Israel might be interested, he noted, but Eden would not accept, preferring to keep this a European affair.

The initiative for a joint military venture with Israel came from the French, at a time when they had lost confidence in the willingness of the British to act militarily. The French

would have preferred a unilateral Israeli military operation, with French logistical support only, but Ben-Gurion strenuously opposed this idea. On several occasions he explained to a sceptical Moshe Dayan, then chief of staff, that even in the case of a victorious war — and victory would depend on the non-intervention of outside forces — Israel's problems would not be solved. On the contrary, Israel would have to face them under worse conditions, having been branded in the eyes of the entire world with the stigma of aggressor.

When formal negotiations between France and Israel began at St. Germain, Ben-Gurion gave the following instructions to the Israeli delegation, headed by Foreign Minister Golda Meir:

1) Israel would not initiate operations on its own. If the French, with or without the British, would start, Israel will subsequently join them. The possibility of a simultaneous operation could be contemplated.

2) In any case, Britain must undertake not to intervene against Israel under any pretext. On the other hand, Israel would commit itself not to attack any Arab state.

3) The U.S. should be aware of the planned operation, and give it at least its tacit blessing. There should be an assurance from the U.S. that no sanctions, economic or otherwise, should be imposed on Israel.

4) Following the operation, the east coast of Sinai should be incorporated into Israeli territory to safeguard freedom of navigation in the Gulf of Elat. Demilitarization of Sinai could be considered.

During the operation only one of the conditions: British non-intervention against Israel, was to be implemented.

The St. Germain meeting ended in an impasse, and the entire operation was in doubt. To overcome the deadlock, the French hatched the "Israel pretext scenario," consisting of an Israeli operation against Egypt, to which the British and the French would put an end.

The role of impartial peacemakers appealed to the British. Ben-Gurion, who was convinced that the British had conceived the plan, rejected it out of hand. The idea that Israel would be the scapegoat, the target of international condemnation; the implication that Israel's moral standing in the eyes of the world was somehow less important than that of Britain and France was anathema to him.

It was only reluctantly, under Dayan's persistent argument that the entire relationship with France might be in jeopardy that he agreed to fly to France to negotiate with the French, and subsequently with the British. It was Dayan who came up with the redeeming formula: an Israeli first strike close to the Canal, at Mitla Pass. This would be sufficient as a pretext for an Anglo-French ultimatum, but which was reversible. If things went awry, the troops could be withdrawn to Israel's borders, and the entire operation would be depicted as a major retaliatory move against fedayeen bases in Sinai.

To sweeten the pill, and to overcome Ben-Gurion's misgivings concerning possible Egyptian air-raids during the critical first 48 hours, when Israel would stand alone, the French agreed to deploy a number of fighter squadrons at Israeli bases and put some naval vessels at the IDF's disposal. This was the first — and so far only — time that foreign military forces have been stationed on Israeli territory.

THE IMPLEMENTATION of Operation Kadesh itself need not concern us here. Basically, it went

Dry Bones



according to plan, and actually surpassed expectations. There was a hitch when British bombing raids against Egyptian airfields were postponed, and Ben-Gurion, suspecting another trick of "perfidious Albion," considered ordering a retaliatory strike. His suspicions were allayed, however, when these raids eventually started.

International, primarily U.S. reaction, at first stunned disbelief and later stern condemnation of Israel, was soon directed to condemnation of Britain and France, when their ultimatum and military actions revealed their hand.

Ben-Gurion seemed unconcerned by international reaction. "As long as they are in New York, and we are in Sinai, the situation is not too bad," he said. Indeed as he himself later admitted, he was in a state of euphoria. The swiftness of the victory over the dreaded Egyptians, with relatively few Israeli casualties, seemed like an hallucination and then as a miracle.

It was in this mood that he met the increasingly strong strictures of Eisenhower, and in which he persevered even after receiving the Soviet ultimatum on the night of November 6.

On November 7 he delivered his victory speech to the Knesset, in which he spoke of Yotvat as part of ancient Israel and claimed that Sinai had never been part of Egypt proper. In Sharm e-Sheikh on the same day, Dayan read on Ben-Gurion's behalf an order of the day referring to the Third Israel Commonwealth.

In fact, however, the Soviet ultimatum had left Ben-Gurion perturbed. Already on the morning of November 7 he had despatched Golda Meir and Peres to Paris, to gauge French reaction. Following her conversations in Paris, Golda was desperate. Not only did the French take the Soviet threat at face value, they also made it clear that if the Russians attacked Israel, the French would be in no position to help.

During the previous night the French ambassador to Washington had been told in no uncertain terms by Eisenhower that operations must cease and foreign forces be withdrawn from Egypt, before the British and the French could expect any help from the U.S. under their alliance. On that day the British and the French agreed to cease fire and to withdraw their forces as soon as the newly constituted United Nations Emergency Force was in a position to replace them.

On November 8, noted as "a day of terror" in Ben-Gurion's diary, ominous information was received from different quarters: Soviet planes overflying Turkey, Soviet submarines in Egypt, Soviet battleships requesting passage through the Dardanelles. The fear of a third world war, for which Israel would be held responsible, was in the air.

Dag Hammarskjöld, the UN secretary-general, expressed doubt as to whether Israel would still exist in two months' time. Herbert Hoover, the under-secretary of state, in a

conversation with Reuven Shiloah, Israeli minister in Washington, predicted that Israel would be swept away by events, adding, rather incongruously, a threat of expulsion from the UN, and stoppage of U.S. aid, unless Israel complied immediately with UN decisions on cease-fire and withdrawal.

The choice before the Israeli cabinet narrowed to unconditional withdrawal, or withdrawal against arrangements made for replacement by Unef, as proposed by Abba Eban.

Ben-Gurion, on that day, was like a wounded lion. His mood was defiant, but his misgivings were great. The Soviet threat weighed heavily in his mind. He considered the possibility that it was a bluff "but behind the bluff there are many divisions." He warned against panic: "If the Soviets are determined to bomb Israel, they will do so even if we prostrate on the ground." He declared openly that he did not know the Soviet intentions. "I am sure that a stern word from the Americans may be sufficient to deter them." The inconsistent syntax of this sentence is an indication of his dilemma.

The conditional withdrawal formula was adopted. When Ben-Gurion went on the air at midnight to announce the decision, he attributed it to Israel's desire to maintain friendly relations with the U.S. There is no doubt, however, that the fear of military intervention by the Soviets was the predominant factor in the decision.

THE FOLLOWING four months witnessed the gradual withdrawal from Sinai, side by side with a determined diplomatic rearguard action in Washington. The power which, contrary to Ben-Gurion's wishes, had been left out of the planning was now shown the principle diplomatic arena.

Ben-Gurion's faith in France and vice versa, was strengthened by the cooperation during Kadesh, culminating some years later during his visit to Paris when de Gaulle spoke of Israel as "notre ami et notre allié." He reluctantly had to concede that the British had lived up to their commitment, but his respect for Britain's military alliance was undermined. He, like many others, came to realize the limitations of both British and French power, and his concern about Russian hostility and capability led him to seek greater support from the U.S.

In 1967, when Ben-Gurion was consulted about the possibility of a preemptive strike against Egypt, with tacit U.S. acquiescence, he advised against it. He did not want "American boys to fight for Israel" he emphasized, but it was essential to get a commitment for American arms during and after the operation. This was his main lesson from Kadesh.

The IDF was victorious in 1967, without such supplies. It was in 1973 that they were vital for Israel.

READERS' LETTERS

POLICING TAXIS

To the Editor of The Jerusalem Post Sir, — I refer to Greer Fay Cashman's article of September 29, "Courteous doormen, efficient waiters will lure tourists back." Whilst I in no way condone the behaviour of the doorman, as general manager of a five-star hotel, I can certainly understand and even sympathize with the frustrations and aggravations that the doorman incur in their daily dealings with taxi-drivers.

Many, many complaints are brought to our attention by guests of the hotel, both foreign and Israeli, and by our employees. Most of them are the same:

- 1) Driver hides meter in glove compartment — either denies he has a meter, or "it doesn't work today," or blatantly refuses to turn it on — a take-it-or-leave-it situation.
- 2) Driver refuses to take Israelis.

3) Taxis suddenly disappear from the streets during rain, Saturday evenings, and football games.

So far, correspondence with the Ministry of Transport has brought no suitable action: it seems that they are powerless to enforce the rules they enact.

In my opinion, the Ministry of Transport should increase the fares of taxi rides sufficiently to give the drivers a reasonable income, and at the same time enforce the rules they have drawn up with spot checks by the police and also by plain-clothes operatives entitled to give fines on the spot (as in the case of other driving violations); these rules should be clearly visible to the passenger, as they are in many cities abroad.

JEREMY FRANKEL,
General Manager,
Jerusalem Hilton

CARNAGE ON THE ROADS

To the Editor of The Jerusalem Post Sir, — The whole nation went into a state of shock, outrage and mourning over the slaying of one person and the wounding of 69 others in the Arab terrorist attack near Jerusalem's Dung Gate on October 15.

Yet how many Israelis are likely to be unduly perturbed over the report, in the briefest of articles on October 19, that during the past week, 14 Israelis were slain and 76 grievously injured, not by our Arab enemies,

but by our own people in the persons of our motorists?

Our security and defence forces expend colossal time, money, effort, manpower, and equipment to safeguard Israel against Arab terrorist attacks. If a similar all-out, unrelenting war were waged against those who terrorize our highways, the carnage and human suffering caused on our roads would be considerably reduced.

ROY RUNDS
Tel Aviv.

EXCELLENT ARTICLE

To the Editor of The Jerusalem Post Sir, — It was with great pleasure and satisfaction that I read Amnon Rubinstein's article of October 17, "The miracles that headlines ignore." His insight and profound thought covering the trials and tribulations of the State of Israel, compared to other "Western democracies," left a sweet taste in my mouth. His language, in simple and understandable words, conveyed a deep feeling of warmth.

B. MIGDAL
Haifa.

JACOB VAN DEN BERG (74), of Hoefslag 71, 2992 VG Barendrecht, Holland, visits Israel regularly and works for Israeli causes in Holland. He would like to correspond with Israelis and meet them when he comes here.

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DOWNED AIRMAN

To the Editor of The Jerusalem Post Sir, — We all hope and pray for the speedy release of the Israeli airman taken prisoner in Lebanon. All Israel shares the feelings of anxiety and suffering of the family.

However, when the government negotiates for the anticipated exchange of prisoners, we hope it will exercise restraint and maintain a balanced outlook. It should not succumb to Arab blackmail and agree to release a thousand terrorists, murderers, rapists and kidnappers who will merely continue to perpetrate further crimes like the grenade attack near Dung Gate in Jerusalem.

N. J. MENDELSON
Haifa.

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